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NPTA MANAGEMENT NEWS

NOVEMBER 1984

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Grayco Paper Disposables
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KNOW HOW
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Is The Compensation Question Tearing Your Company Apart?

Mr. John P. Kennedy
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Congressional Information, Inc.
4520 East-West Highway
Bethesda, MD 20814
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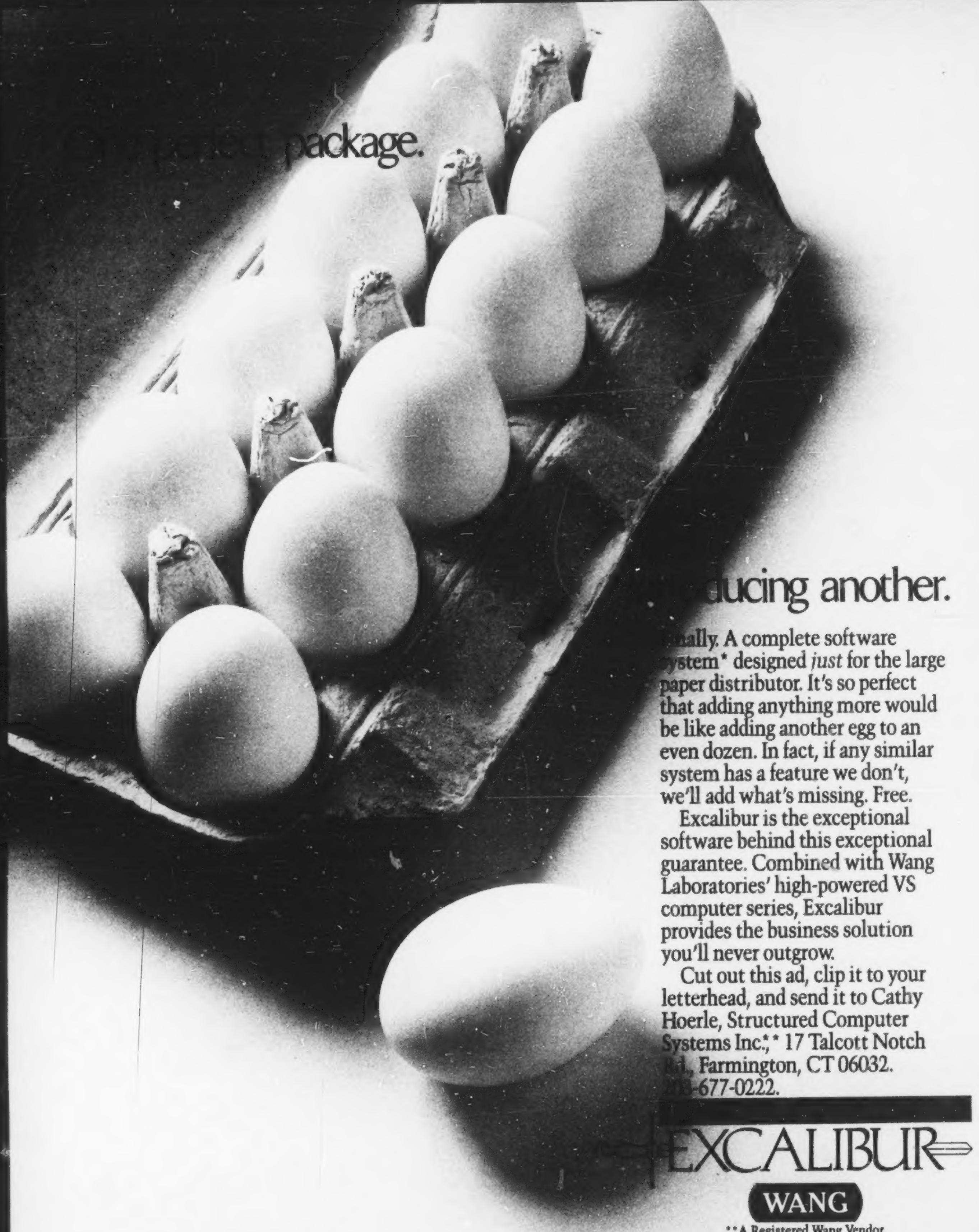

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Part of the Grayco Products team at their offices in Westbury, NY.

Cover Photo
Ben Asen

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NPTA ELECTS OFFICERS, NEW BOARD MEMBERS

The National Paper Trade Association elected a slate of officers and new members of the board of directors at its annual meeting held in Chicago at the end of September. Elected chairman of the board was Frank J. Viegas, president and CEO of the Dowd Company of Woburn, MA. Lionel W. Eltis, chairman 1983-84, will remain on the board as past chairman.

Elected first vice chairman was Richard W. Abrams, CEO of West Coast Paper, Seattle, WA. He also serves as chairman of the Association's Printing Paper Division Committee. Francis J. Houlihan was elected second vice chairman and chairman of the Industrial Paper Division Committee. He is president of the Fleetwood Paper Company, Franklin Park, IL.

Frederick J. Stabbert, president of the Zellerbach Paper Company Division of Crown Zellerbach Corporation, was elected treasurer of NPTA. Prior to his election as an officer, he was a board member. His vacant seat on the board was filled by the selection of the chairman. Kenneth A. Leininger, president, the Ohio & Michigan Paper Company, was selected to fill that slot. Leininger is a former board and committee member.

The membership elected four new members of the board of directors to serve three-year terms. William M. Close, president of Kirk Paper, was elected to the board. He served NPTA once before as a board member in 1979-80. Gene Shelton, president of Sunclipse, Inc. (formerly Kent H. Landsberg & Company) was also elected, as was James J. Swearingen, executive vice president of the Unisource Corporation.

The first international member of the NPTA board of directors was elected at the annual membership meeting. Jeff Chipman, president of Inter-City Papers, Ltd. of LaSalle, Quebec, Canada has joined the board for a three-year term. Prior to his election, he served for two years on the Association Printing Paper Division Committee.

Outgoing chairman of NPTA Lionel W. Eltis thanked those members of the board who had completed their terms of office: Prentiss H. Cole, president, Fargo Paper Company, Fargo, ND; John C. Selig, executive vice president, W.H. Smith Paper Corporation, Albany, NY; Joseph M. Tell, president, Carpenter Paper Company of Iowa, Des Moines, IA; Thomas V. Zeuthen, vice president and general manager, Nationwide Papers, Stamford, CT.

USDAN RECEIVES BROTHERHOOD AWARD

The National Conference of Christians and Jews has given Martin J. Usdan its "Brotherhood Award of the Paper Industry and Allied Groups." Mr. Usdan is president of Heller & Usdan, Inc. of Moonachie, NJ.

"Martin J. Usdan's participation in industry projects is public knowledge," stated Mr. Olzman. "His services to those causes that espouse the dignity of the individual and give expression to the inalienable right of each one to seek his own fulfillment are manifest from his intimate association with, and enlightened leadership of, many organizations. In addition to being a successful businessman, he is a responsible citizen and committed humanitarian."

G-P TO SELL COMMODITY CHEMICALS

Georgia-Pacific Corp. management announced that is has reached a decision to sell certain of its commodity chemical operations to a group of executives currently managing that business. Negotiations are underway and a definitive agreement is expected shortly.

The company also announced that it is continuing to evaluate bids with respect to its previously announced decision to sell Exchange Oil & Gas, the company's oil and gas subsidiary.

"These sales are in line with our strategy of focusing on our core forest products businesses," T. Marshall Hahn, Jr., chairman and chief executive officer of Georgia-Pacific, said. "They will raise a substantial amount of cash, further strengthening Georgia-Pacific's financial position and our ability to take advantage of investment opportunities offering superior results for our shareholders."

APPLETON PURCHASES MILL FROM GLATFELTER

A purchase agreement was signed for Appleton Paper's acquisition of the P.H. Glatfelter Paper Mill in West Carrollton, OH on September 6, 1984 and Appleton assumed operation on September 11. The purchase price was set at $83 million to be paid in five years.

Appleton will use their new mill to supply base paper to the company's NCR converting operations. Appleton is the world's leading producer of carbonless paper. Thomas W. Busch, chairman and chief executive officer of Appleton said, "We believe that this paper mill will complement our present manufacturing operations and will provide us with additional base paper to meet our growing market needs."

L-P MILL WORKERS VOTE TO OUST UNION

"Decertification" votes have now been held by the National Labor Relations Board (N.L.R.B.) at all but two of the 19 Louisiana-Pacific plants and mills involved in a strike against the company which began in June of 1983. The L-P workers have voted overwhelmingly to "decertify" the unions, although challenged voters and union appeals to the N.L.R.B. have held up a final determination of those elections. A vote in favor of decertification means that the union no longer represents the workers at that location.

The latest election was held September 14 at Louisiana-Pacific's sawmill and plywood plant in Standard, CA. Workers at Standard voted 95 to 18 in favor of decertification.

SCOTT ACQUIRES SANI-FRESH

Scott Paper Company has acquired the assets of Sani-Fresh International, Inc., a San Antonio, Texas based manufacturer of personal cleansing products and systems for commercial and industrial markets. Terms of the transaction were not disclosed.

Sani-Fresh is a leading supplier of liquid washroom soaps and dispenser systems for manufacturing facilities, office buildings, restaurants and other commercial or away-from-home markets. The firm also supplies this market with a range of specialty cleaning systems and products.

Scott indicated that Sani-Fresh is a growing, highly innovative company, that fits well with Scott's strategic objective of seeking growth opportunities in areas that build on its existing strengths and unique capabilities. Sani-Fresh is a natural extension of the towels, tissues, napkins and wipers Scott currently sells to the away-from-home market.

CANADIAN PAPER TRADE ELECTS OFFICERS

The Canadian Paper Trade Association, an organization of fine paper merchants, elected a new slate of officers at its 66th annual meeting held in Ottawa: president - William S. Brown, Barbecon; 1st vice president - David Leigh, Domtar; 2nd vice president - Yves Montmarquette, Inter-City Papers; treasurer - Ray Franks, Graphic Papers.

INDEPENDENT BUSINESS REPORT AVAILABLE ON TAXES

"Your Business and the 1984 Tax Act" is available from the Independent Business Institute. It provides a concise, business-language description of all changes in business taxation in the complex new tax law. Among changes addressed are: New investment credit and depreciation on medium-size and larger cars, business/investment real estate depreciation now 18 years, no deduction for accrued interest, travel and entertainment records tightened, changes in stock-purchase acquisition treated as asset purchase, and more.

The report is free, but $1.00 must be enclosed to cover shipping and handling. Write to the Independent Business Institute, P.O. Box 159, Akron, OH 44309. Ask for report #600.

PEOPLE IN THE NEWS

Fred J. Robbins has rejoined Mead Merchants as division vice president.

Kent L. Carson was named president of Ris Paper/New York.

F. Thomas Jenkins was appointed vice president of Human Resources at the Henley Paper Company, Greensboro, NC.

Arthur W. Towne, former president of Blake, Moffitt & Towne and a grandson of one of the founders of the company, passed away at the age of 90.

Thomas "Tony" Genovese, co-founder of Gummed Papers of America in 1940, passed away.

James D. Jackson has been named president and chief operating officer of Cardinal Paper, Oklahoma City, OK.

Charles S. White has been named executive vice president of the Fletcher Paper Company.

Robert R. Theroux has been promoted to controller of the Nyman Manufacturing Company of East Providence, RI.

Joe R. Neil was appointed division vice president and business manager of consumer products for Crown Zellerbach.

D.R. Snoad was named senior vice president-paper sales of Bowater, Inc.

Fred C. Whitney was appointed manager of the Printing Products Division of Mactac. **David L. Eastin** will head the Roll Products Division and **David Rennels** was named manager of the Industrial Products Division.

William R. Laidig has been elected chairman and chief executive officer of the Great Northern Nekoosa Corporation. **Robert Hellendale** has retired.

Elias M. Karter was elected vice president, manufacturing and technology and **Kurt A. Renick** was named director of financial analysis and control of Mead.

GEORGIA-PACIFIC WINS ANDY AWARD

Susan Whalen, director of communications for Georgia-Pacific's Printing Papers Division, accepted an ANDY Award on behalf of the Hopper Papers Group at the 1984 ANDY Awards Banquet and Presentation sponsored by The Advertising Club of New York. Hopper was cited for its new logo. ANDY's are awarded for art work and copywriting of the highest caliber. Hopper Papers, manufactured at Reading, PA and Taylorville, IL, are a premium line of cover and text papers.

PRINTING PAPER

STORING THE PRINTED WORD, BUT NOT ON PAPER

It is still not clear what impact computers will have on the demand for paper. Some say all that data storage in electronic form will cut down on paper being typed, copied and filed. Others see that computer output in printed form growing exponentially.

Of course, it makes good sense to look at a specific example that may be telling. No one stores more paper than the Library of Congress in Washington, DC.

It is the world's largest repository of the printed word holding about 80 million items and acquiring 10 new items every working minute of every day. That's 532 miles of shelves and they are bursting at the seams.

According to an article in *American Way* magazine, the library started a pilot program using video disks. These optical-disks actually hold a "picture" of a page rather than the way a computer's magnetic disk holds data. They built a jukebox system that holds 100, 12 inch optical disks with random access control.

Stores one million pages.

Each disk can hold 10,000-12,000 pages of printed text, that means that "roughly one million pages can be stored in 15 square feet of real estate." That is the equivalent to storing about 4,000 books each containing 300 pages. And each page in each book can be located by the computer.

So, will these systems replace the printed word? Probably not. Words on paper are required for this machine to do its job. If this technology takes hold, it may replace some filing cabinets, but at this point, the crystal ball is still cloudy.

PRINTERS TARGET GROWING SALES AREAS

Merchants are always interested in who the printers' customers are, how they are being serviced and what consumer areas are growing. Printing Industries of America (PIA) has a resource now made available through NPTA: *Best & Worst Markets for Printers in the 1980s*.

It is *not* a geographic perspective. This resource reviews 85 different industries that purchase printing. *Best & Worst* analyzes the printing-purchase-potential of each industry and helps merchants understand how growth areas may be affecting the sale of paper.

Best & Worst was first published in looseleaf form in 1979 and has been updated twice each year since. Updates are available each spring and fall. This helps users keep current especially when each industry reviewed has a five year percentage growth projection.

The publication price of *Best & Worst* is $135, but is available to NPTA members for $100 plus $3 shipping and includes the next year's updates. Direct orders to the NPTA Communications Department.

HIGH VOLUME COPYING

High speed copiers seem to be everywhere. Quick printshops and inplant operations have most. The National Association of Quick Printers (NAQP) compiles the results of survey of copy volume for high speed copier users.

The NAQP report showed that Xerox 9400 and 9500 machines led with 273,000 copies per month. The next highest average monthly volume was registered by the Kodak 2500 with 251,000 copies per month, followed by the Xerox 9210 at 234,000 copies.

Listed next was the Xerox 9200 at 208,000 copies per month and the Kodak 150 at 156,000. The survey responses also showed that an overall average of 38% of the quick printers' total volume was done on high speed copiers.

LABELS ARE BIG BUSINESS

At least that is the contention of Avery; and they should know. They stated that $24 million a year is spent on short-run, self-adhesive, die-cut labels.

There is something to be learned from their advice to quick printers about how to turn spare press time into cash. Merchants can show nicely printed samples to all printers to try to beef sales. Anything that the printer can use with his customers will help get the magic of label stock across.

COUNTERFEIT PRINTING FROM OVERSEAS MAY BE CONTROLLED BY NEW LEGISLATION

For some time, many have been concerned by counterfeit printing coming ashore in the United States. Congress has agreed to a major trade bill that may have some teeth in it to control the problem.

It is known as the "Generalized System of Preferences" (GSP). It is a program seen by the Reagan Administration as vitally important to the overall trade policy of the United States. Duty free entry of goods from developing nations is included in the extention of this bill.

Central to the GSP is a provision that would allow sanctions against those countries covered by the GSP which are actively involved in counterfeiting or pirating US manufactured goods. Several Far Eastern countries with GSP privileges, reports Printing Industries of America, are notorious for their pirating of products ranging from books to computers.

The sanctions provided for in the new trade law would not prevent such actions but would give the United States retaliatory ability.

INDUSTRIAL PAPER

SHOW ROOM SELLING: HOW NOT TO FAIL

According to a recent article in *Maintenance Supplies* magazine, there are a set of golden rules to follow to assure failure in show room selling:

1. *Ignore the three cardinal rules of real estate selection: location, location, location.* Operating in an unreachable area is obviously not a good move. Selecting a site near both industrial and commercial markets is essential for the attraction of all prospects large, small and new to your product mix.

2. *Don't advertise.* This one again is common sense. If they don't know you or your product they can't buy from you. Be sure to plan in your budget for promotion of your new endeavor. Take advantage of your trucks that are moving billboards, announcements to current customers and local newspapers, flyers or stuffers in billing and correspondence and anything else you can think of. The trick is to become known.

3. *Disguise the building to look like a warehouse.* This makes no sense at all. As a show room, it must be attractive and comfortable. It helps also for those driving by to be able to see what products you are offering; and an atmosphere that makes them feel welcome.

4. *Keep the public out.* This is just throwing money away. While you want to attract major accounts every little bit helps. Public relations also plays a part. Word of mouth may just reach that major buyer who hasn't heard of you before.

5. *Staff the show room with new trainees.* Allowing an inexperienced sales person to sell to a major account is suicide. Professionalism is the key to success both in the showroom and the warehouse. Trainees need to be trained before they can fly.

6. *Appearance is not important.* The design of the showroom must be flexible to accommodate new products. Color, light and creative displays are the key to having customers return and enjoy the experience.

7. *Keep sales staff out.* Never waste time. Creativity, ingenuity and assistance of staff in planning and running the showroom is necessary. Using the showroom for mass demonstrations to clients makes it a very efficient and profitable sales tool.

8. *Showroom sales do not warrant management time.* Murphy's Law states that if you ignore a situation, the situation will come back to remind you of it. Success will only occur when good planning occurs. Sales are made through serious management of all factors.

In conclusion, the article states that show business is a different business than you are used to and needs to be planned for, taken advantage of and worked. It can be a great support tool for sales staff and super for public relations.

TRUCK TONNAGE RISING

According to the regular common carrier conference of the American Trucking Association, the first quarter of 1984 saw truckers carrying more tonnage: 9.1% over that same period for 1983 to 25.8 million tons. The group report also indicated that profits had increased for after-tax income by 42% to $24.8 million. Tonnage is still only 56% of the first quarter of 1979 but net income is the best for any quarter since 1980's first quarter.

FLEXIBLE PACKAGING INDUSTRY TO USE LESS PAPER

Converted flexible packaging shipments will top $5.5 billion by 1987 and nearly $9 billion by the mid 90's in value reports Predicasts, Inc., a Cleveland based research firm. This would represent an increase of more than 100% from 1982 figures. The group also claims that films will capture a higher share of the market up to 63% by the mid 90's from 58.5% in 1982.

Linear low density polyethylene is expected to achieve the most significant increase, with aluminum close behind which will rise to 165 million pounds by 1987. Papers such as glassine, greaseproof, filed and waxed will be reduced, losing position to plastics films. Predicast, Inc. states that by 1995 the demand for paper as a flexible packaging material will fall to 1.5 billion pounds from 1.6 in 1982.

PLASTIC MAIL SACKS MAKE THE GRADE

Last year, *MN* reported that the post office was testing plastic mail sacks that might be used to replace the old gray canvas models. It is now clear that the plastic sacks have passed the test with flying colors.

The new brown plastic sacks weigh substantially less than canvas, take up one-third less space and are easier to handle. Score one for plastics.

CLASSY RESTAURANTS NOW PACKAGE MEALS TO GO

Have you been avoiding the fine restaurants? Maybe they deserve some attention. According to an article in *USA Today* and reported in the Single Service Institute newsletter, fancy restaurants are preparing carryout dishes. And, the better the restaurant, the nicer the carryout gear has to be.

Consumers now want higher quality food but still want their convenience. More and more food service establishments are recognizing that and are servicing the carryout trade. According to the article "Pizza parlors and Chinese restaurants aren't the only eateries that box up their bounty for takeout customers. A growing number of starched-tablecloth and fine-china establishments are now filling plastic takeout containers with everything from simple baked chicken to Italian layered tortes."

IS THE COMPENSATION QUESTION

Is your company torn by the compensation issue?

Compensation. Even the sound of the word strikes fear in some while making others wish they didn't know the meaning of the term. The only real way to know what it means to paper merchants these days is to look at what they are paying their people, how they pay and the different philosophies behind those payment systems.

The paper distribution industry is in the midst of a compensation crisis, some say. And as the argument goes, the old methods of remuneration are not working in the new paper mechant model of the mid-eighties. Compensation concerns are straining companies to their limits. Why? Because paying people for the work they do is more than signing the check. Employee compensation is complex and confusing. Paper merchant managers often feel that the issue has put them in a box. They want out.

The reasons for this are many: the uniqueness of the company, the market, the employees, the company philosophy and position, changing industry patterns. These distinct elements can be managed together by finding the answers to a few basic questions: *How* much are people paid? *What* method is used to pay them? and, *Why* are they paid the way they are?

Paper distribution is becoming more complex. There is a growing realization that the success of the company depends on many different types of employees: sales, sales service, purchasing, transportation specialists, etc. The compensation of these poeple must be better managed.

It is easy to complain that the mounting payroll is causing problems for the company. But the total cost of the company's payroll should be seen as *excessive* only if the level of employee productivity does not warrant the expense. So questions such as "Am I getting what I paid for?" and, "How do I know" are the questions that cry for answers.

The compensation equation would not be complete, then, without some reliable means of measuring productivity. The greater the productivity, the greater the potential reward to both the employee and the house. Measuring employee productivity allows the executive to systematically evaluate, remunerate and support the growth of his personnel in their jobs. Everybody wins.

Personnel Productivity Index

To help paper merchants with the task of evaluating employee performance, a number of tools have been developed. Dr. Ron Roster's Personnel Productivity Index (PPI) is one and George C. Webster's Personal Productivity Ratio is another. This first device is the one used by the National Paper Trade Association in its annual Performance Analysis Report (PAR). This is defined as gross profit per employee divided by the average compensation per employee. PPIs can be developed for every type of employee from managers to sales reps, office workers and warehouse employees.

Of course there are other on-the-job measurements that executives can use, but the PPI is a way to compare the gross profits generated by a company's employees with the total that company spends on employee compensation. The resulting industry averages provide executives with a useful yardstick to follow and comparison with company statistics.

Clearly, for a compensation program to be effective, measurement is required. All paper merchants measure their employees. Whether this is done formally (within a fixed system) or informally, the thought of paying someone without some basis for determining his or her level of productivity (value to the company) is unheard of.

Studying Total Compensation

To gain a greater understanding of the magnitude of the issue, total employee compensation must be reviewed. For printing paper merchant firms, total compensation eats up 56% of each gross profit dollar (see table on page 12). It is 64% for industrial paper merchants and 59% for dual houses. Total compensation is defined as salaries, commissions, and bonuses

TEARING YOUR COMPANY APART?

plus profit sharing and pension fund contributions, fringe benefits—such as group life, health and accident insurance—and payroll taxes.

Payroll expense equals salaries, commissions and bonuses (without fringe benefits). Relative to gross profit, it was 48% for printing paper merchant firms, 56% for industrial houses and 50% for duals. Undoubtedly, these expenses—about half of gross profits—require the paper distribution executive's attention.

Looking specifically at operating the company, total compensation takes on an even larger role. About 70 cents out of each dollar the merchant spends on operations goes to paying his people. Although payroll's share of total operating expenses has been trending downward over the past three years for both printing and industrial houses, the opposite has been true for dual merchants. Payroll costs for this group have steadily increased relative to total operating expense.

Employee Compensation

Most discussions of employee compensation begin and end with the discussion of salespeople. This is understandable because it is the most volatile area with which merchants must deal. Previous *MN* articles have been dedicated to this subject (see July, October and the "Management Information" page in this issue). So, it is now fitting to look at the way this industry compensates other employees.

Significant differences do exist in salaries paid to employees by type of paper merchant: printing, industrial, dual. This is most evident at the upper management levels of the companies. There is a noteable spread found in mean salaries paid to the "highest paid" employee (see table on page 13). This ranges from $126,800 for dual merchant houses to $220,300 for printing paper merchants.

When salespeople are excluded from the picture, the salaries range from $106,900 to $144,200. Branch manager salaries are typically $49,600-$64,900 per year.

Office and warehouse personnel statistics show a much smaller spread by type of merchant house. The average office worker in paper merchant houses is paid a salary of $13,800. Warehouse personnel average $19,100, while delivery people earn $20,800 on average.

Fringe benefits, as defined for NPTA's PAR survey, include: contributions to profit sharing and pension funds for owner-managers and non-owner employees, group life, health and accident insurance, and payroll taxes. Total fringe benefit costs as a percent of total compensation have risen most rapidly for printing paper merchants in recent years, from 13.4% to 15.7% by 1983. These costs have risen very slightly or not at all for industrial and dual merchants, to 13.1% and 16.1% respectively by 1983.

In dollars, fringe benefits per employee averaged $5,570 for printing, $4,070 for industrial and $5,040 for dual merchants. Fringe benefit costs have risen 30.4% between 1981 and 1983 for printing paper houses, 17.8% in dual houses and 12.7% for industrial paper merchants.

The Compensation System

The "what method" question posed earlier is one that speaks to the compensation system used to pay people. Systems vary widely across the country, but it is fair to say that there are three opeating principles that govern all methods used: local wage rates for the particular job in question; union negotiations and contracts; and, incentives.

There is not much the merchant can do about the first two items on that list. He has little control. But the third element *can* be controlled and used creatively. ("Incentive" is defined as the reason one employee is being paid more than another for performing the same job.)

Why *would* a merchant pay one employee more than another for doing the same job? Simple—to gain greater performance.

George Webster, in his book *Controlling Payroll Costs In Distribution* ($34 from NPTA), states that there are many good reasons for developing an incentive plan for company employees:

1. Employers will attract better people (who will be willing to put forth extra effort).
2. Employers will hold better people (they want the extra pay).
3. Workers will improve their productivity (they want to produce more).
4. Employees themselves will help eliminate low producers in their groups because it may affect their bonuses.
5. Workers will help train new workers (to help them become more productive sooner).
6. Employers will be able to keep to the minimum number of employees (due to their increased productivity).
7. Total payroll dollars will actually be kept down.
8. When bonuses are tied to productivity, productivity improves.
9. More efficient and equitable salary administration.

10. Incentives help less strong managers control their payrolls more effectively.

Developing and using incentive programs may not be easy. Beyond what forms the incentives will take is the recurring question of how one determines the performance level that will trigger the bonus or provide the employee with the desired incentive.

Claude Kordus, partner, Hewitt Associates, reporting at the 1983 Annual Convention of NPTA discussed a unique approach to compensating managers. He said that the best managers are entrepreneurial managers, and if a manager can receive a "piece of the action," he or she will be more productive.

Kordus suggests the use of "junior stock" equivalent to 1/10th of a regular share of stock. This can be given by small, privately held companies. Shares may be awarded as bonuses or incentives and converted later to full shares or purchased back by the company providing the manager with increased income.

The reason why this idea is so attractive is that there is an enormous tax advantage involved—capital gains reduce the tax rate to 50%. And, the manager feels he or she has a real stake in the company.

Compensation Relative To Gross Profits And Operating Expenses

(Weighted Means)

		Printing	Industrial	Dual
Total Compensation as % G.P. (%)				
	1983	57.4	63.8	60.4
	1982	57.3	65.6	60.5
	1981	53.9	63.5	56.6
Total payroll as % G.P. (%)				
	1983	48.6	55.5	50.6
	1982	49.7	57.3	50.9
	1981	46.8	55.3	47.3
Total Compensation as % total operating expenses (%)				
	1983	66.9	70.0	69.2
	1982	66.2	70.3	68.3
	1981	67.3	70.9	67.9
Total payroll as % total operating expenses (%)				
	1983	57.1	60.8	58.1
	1982	57.5	61.4	57.6
	1981	58.3	61.7	56.9

Source: 1984 NPTA PAR Survey

A more popular way of providing incentives for managers is through a bonus system based on the manager's return on controllable assets (ROCA). The largest components of this are inventory and receivables.

Another system used for incentive compensation for branch managers is the application of what is known as the "Dupont Profitability Model." This model contains more elements than contained in the return on controllable assets methods. (A copy of the Dupont model is available at no charge from the NPTA Communications Department.) The important idea is to tailor any plan to the individual needs and style of the company. This will help insure success.

The twists and turns of the compensation issue *can* rip a company apart. Some parts of the question can be controlled effectively, others not very well at all. Measurement is the key to an effective, well managed, compensation system. Working to improve the way people are paid for the work they do is necessary. The risks are great...but so are the rewards.

Note: Figures in all tables are "weighted means" from the results of the annual NPTA/MFI PAR survey. A weighted mean is the average of the results of a group of firms, weighted to take into account the effects of large versus small firms. Consequencly, it is a more meaningful measure than a median or arithmetic mean.

Consultants In Productivity Improvement

(Specializing In Wholesale-Distribution)

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The Austin Company
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Evanston, IL 60201
312-869-3130

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215-629-0920

Booz, Allen & Hamilton, Inc.
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Cleveland, OH 44131
216-524-5900

Theodore Cohn Consultant, Inc.
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West Orange, NJ 07052
201-731-9707

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Minnetonka, MN 55343
612-544-4611

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Marietta, GA 30067
404-955-6142

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James Farm
Durham, NH 03824
603-659-2736

Hewitt Associates
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Newport Beach, CA 92660
714-955-1800

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312-648-0111

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Greenwich, CT 06830
203-661-1760

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415-964-4406

Profiles International
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Fort Worth, TX 76118
817-496-6881

Strata GM Corporation
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Santa Clara, CA 95051
408-496-0364

K.W. Tunnell Company, Inc.
Valley Forge Plaza
King of Prussia, PA 19406
215-337-0820

George C. Webster
207 Hancock Street
Beaufort, SC 29902
803-524-5401

Average Compensation By Job Function

(Weighted Means)

Avge. Pay per	Printing	Industrial	Dual
Avge. pay per office employee ($000)	$ 13.9	$ 14.8	$ 12.6
Avge. pay per warehouse employee ($000)	19.3	18.1	19.8
Avge. pay per delivery employee ($000)	22.7	19.4	20.3
Avge. pay per branch manager ($000)	58.4	49.6	64.9
Compensation of highest paid (except salesmen $000)	120.1	144.2	106.9
Compensation of highest paid (all persons $000)	220.3	154.5	126.8

Source: 1984 NPTA PAR Survey

Employee Fringe Benefits and Productivity Indexes

(Weighted Means)

Fringe Benefits		Printing	Industrial	Dual
Fringe benefits per employee ($)				
	1983	$5,570	$4,070	$5,040
	1982	4,410	3,640	4,680
	1981	4,270	3,610	4,280
Total fringe benefits as % total compensation (%)				
	1983	15.7	13.1	16.1
	1982	13.3	12.6	15.8
	1981	13.4	12.9	16.6
Productivity				
(1) Personnel Prod. Index (all employees, X)				
	1983	1.76	1.59	1.68
	1982	1.77	1.54	1.68
	1981	1.88	1.60	1.79
Personnel Prod. Index (non-owner employee, X)				
	1983	1.79	1.76	1.72
	1982	1.84	1.67	1.73
	1981	1.92	1.76	1.77

(1) The personnel productivity index is defined as: gross profit per employee divided by average compensation per employee. This is a measure that compares the gross profit generated by employees to the total compensation they earn during the period. Other things being equal, a higher PPI value is preferred.

Source: 1984 NPTA PAR Survey

THE GRASS IS ALWAYS GREENER!

> *Alice has been with your firm for six years as an inside fine paper order desk person, she's loyal, dependable, hard working, and has an outgoing personality. She is professional, likeable, and can juggle 18 balls in the air at one time. Who knows, she might even play golf.*

In the paper merchant industry, revenue growth, and/or losses are the direct result of changes in market pulse rate, talent, lines, and service. If you are strong in the last three, they will usually take care of the first one. Of the four, talent is the only one I profess to have any knowledge of.

Hidden Assets

If you're looking to expand your existing sales force, I assume you will examine your inside personnel first. Hopefully, your internal search will include all your employees such as order desk, customer service, and secretaries whose abilities are often under utilized. A receptionist will normally make a good outside sales candidate. He or she handles several hundred calls a day (hopefully), and greets and knows all the mill reps and customers. This individual also has the personality, appearance, and chutzpah needed to represent your firm in the field.

Now let's assume you decide to give "Alice" a shot at your sales position. Alice has been with your firm for six years as an inside fine paper order desk person, she's loyal, dependable, hard working, and has an outgoing personality. She is professional, likeable, and can juggle 18 balls in the air at one time. Who knows, she might even play golf. Let's not forget she is only making $13,500 a year.

Sit down with Alice and say, "Alice, I've always been impressed with the quality and quantity of your work. I'm looking for an outside fine paper sales rep and I think that with some professional sales training you can handle the position."

Now you must remember, here is a person who has never made a new account "cold call." Her job for the last six years has been answering inquiries, giving quotes, making alternate product suggestions, finding an order that was supposed to have been shipped yesterday, and handling 40 other problems that come up during the normal business day.

Let her know that you want her to work into the position and will pay for her to take the Xerox PSS III Program. I suggest she work outside every morning and come inside at 1 p.m. every afternoon to her old job. The benefits are that you've instilled a sense of loyalty (even if Alice doesn't want outside sales she will appreciate the offer). If she takes the job, instead of hitting the parking lot at 5:01 every afternoon, Alice might work until 6 p.m. or later to get orders written.

When she accepts the challenge, let her know that she will keep her salary, receive 22 cents a mile for her car, plus receive up to $20.00 when she takes a customer out to lunch, etc. And of course, be sure to pay her the percent of G.P. (from dollar one) that is appropriate. After she hits $50,000 in G.P., no more expenses and when she hits $100,000 in G.P. you will gradually eliminate her salary, or whatever arrangement you like. Do not set calendar dates for her. Give her a week to think about it. If Alice is married, make sure you ask if it would bother her or her husband when she starts making more money than he does.

SEED OR SOD?

By Carl Coco, Jr.
Professions Unlimited

One of three things will happen, all of them positive:

- After three months of COLD calling and getting wet in the rain, Alice will beg to go back inside eight hours a day. If you allow her to, (and you should) she will hug her desk and phone each day and be more understanding of the outside sales reps' tantrums.
- Alice will do a so-so job, stay 50% inside and 50% outside, and write the small cut size and supply business out of the warehouse that the 20 year fine paper salespeople turn up their noses at (with nice trading margins).
- Alice will become a shining star making you and her a great deal of money, get into accounts you couldn't get before, or get back accounts you've lost. Now you have an outside sales person who is your most loyal, she is non-recruitable, and will never forget the opportunity you gave her.

Before you know it, in will come a call from Mary who has been with a competitor for eight years. Mary is only making $12,500 a year and wants to get into outside sales. She has heard through the pine-cone vine that you promote from within. (Besides, Mary does not have a non-compete contract.)

Expanding Current Product Base

Are you satisfied with your current market share? Fine paper merchants with less than 5% market share geographically shouldn't be concerned about getting into flexible packaging or other product markets. Spend your energies, capital, and expertise on expanding your coated or cut size business.

How many in-plant print shops are in your market that you are unaware of? Hire a successful printing ink, printing supplies or a printing equipment sales rep and find out. The sales rep you hire with printing press background will continue to get leads through the years from the firm he left. In turn, he will pass on leads to them about potential equipment placement.

Expanding New Product Markets

If you have an acceptable market share and are committed to getting into other product markets, treat them as separate departments or divisions. Have your sales force specialize. It very seldom works to take an experienced sales rep from one area in your industry and try to convert him to another.

As an example, if your house specializes in industrial supply, first ask your ten sales reps if they would be interested in getting into fine paper, flexible packaging or whatever product line you want to build. If any of them would be interested, let them know up-front that they must relinquish all supply business they currently manage. You, of course, will offer to protect them with a salary for two years at their current levels of earnings. After the ten industrial supply reps tell you **NO**!, you then expand in one of four ways:

- Buy an existing house specializing in the market in which you have an interest.
- Recruit an experienced manager. The person you hire should be committed, very stable, an over-achiever with an excellent reputation in the industry in which you want to expand. He should have strong building and sales training skills with an accountant's mind. He must be able to bring some key mills with him. You need to be prepared to give him complete responsibility for budgets, staffing, product selection, inventory levels, and pricing. Remember, *he* is the expert. Plan to invest (lose!) money for one to three years before turning a profit.
- Hire two to four experienced sales reps with at least $100,000 in G.P. who can bring business and lines. As in hiring an experienced manager, this would show the mills you want to give them a commitment. Pay them a salary of at least as much as they are going to make this year, preferably a two year commitment. Pay them 50% commission of G.P. their first year, 40% their second year, and give them your normal commission plan their third year. If commission worth exceeds their salary, pay them the difference. A strong experienced sales rep will pull 20% to a maximum of 50% of his current customer base his first year if you carry comparable lines. Make one of them your manager the second or third year.
- Hire several trainees who know about your current or expanding business. After six months they have found out that five of your industrial supply reps are making $50,000 to $150,000 per year. Before you know it, your new reps are selling industrial supplies. (Heaven help you if one of your heavy hitters retires; the new Specialist will be in front of the line asking for some of the retiree's industrial supply accounts.)

To develop internal loyalty, recruiting outside talent is a second choice. There are times, however, when your need is growing faster than the development of your personnel. A wise manager knows when and how to make the right decision on which way to go.

DIMENSIONS IN TRAINING

NEW DIMENSIONS IN MERCHANTING

Revolutionary ways of doing business require that paper merchants train their people to respond to a changing business environment.

Because the sales function in many paper distributorships has not been as closely and objectively scrutinized as it should be, opportunities for increasing sales productivity abound. Look at these items for example: cost of sales that is out of line with industry averages, an inability to quickly respond to customers' needs, salespeople who have either too many or not enough accounts to cover, the inability to respond to new trends in the sales environment, the need to develop and implement new and innovative selling techniques.

Developing an effective sales strategy for the 1980's and beyond requires the paper merchant to respond to three dimensions: new technology, value-added selling and management leadership.

Increasing sales productivity is not as simple as instituting a "state of the art" training program or merely announcing an exciting new sales contest. *It means responding to and integrating new technology, value-added selling and effective management leadership.*

Technology For Tomorrow

Merchants' attitudes towards new technology is largely shifted from wariness and fear to enthusiasm. Yet, in this period of growing acceptance of and fascination with technology, merchants still selectively approach new methods in telemarketing, computerization and video training.

Telemarketing: For many years, merchants believed that the phone could be used to make an appointment with a prospect, and avoided letting the conversation drift into the actual sales point.

In order to remain competitive, new ways have been found to reduce expenses and increase sales. Telemarketing is the answer. First of all, through telemarketing an aggressive merchant can pick up the existing or potential business of less aggressive competitors. Second, growth creates enthusiasm in both customers and employees. A growing company is more attractive for a business relationship and tends to interest more competent employees.

The following functions can be carried out by a telemarketing program. Telemarketing can:

- Generate leads from strategically selected lists and with a controlled offer.
- Qualify leads from all sources to determine: potential due to size of prospect and type of product interest; name of decision maker; immediacy as well as complexity of the need.
- Sell products. Based on potential, product and territory: the sale can be made on the phone and/or the mail; coordinate between the prospect and the field salesperson to close the sale with minimum personal calls.
- Be a clearinghouse for all service calls from customers to determine the potential for additional sales.

Computerization: Recognition of the arrival of a computer age occurred in the 1960s when computers were still very large and extremely expensive. Early mainframes occupied entire rooms; their use restricted to corporate giants with a great number of service people required. Employees would bring work to the computer room and leave it to the experts to process.

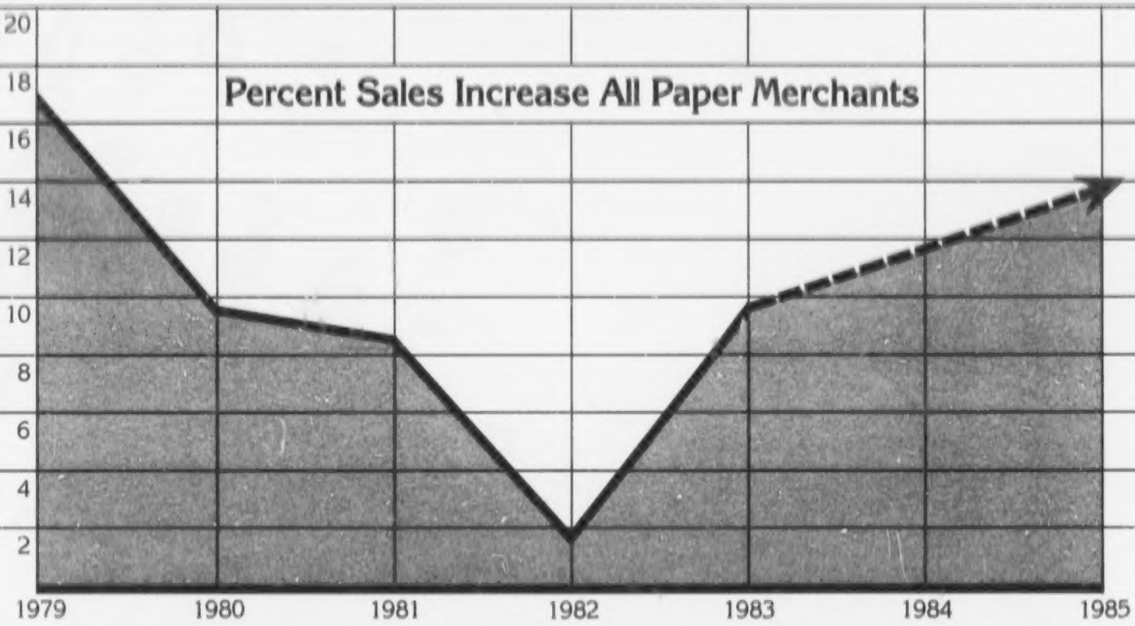
But all this has changed. Today, computers need not be separated from the merchants needing data. Machines are smaller, relatively low priced, continually expanding in power and far easier to use. As the computer revolution is taking hold, two significant trends are taking place: computerized management has become so wide-spread that even the smallest merchant house are going on line; new applications are being developed as more and more top-level managers and salespeople use computers as a daily business tool. NPTA's annual *Trends in Paper Distribution Computerization Conference* in Orlando, FL, November 13-15, 1984 will explore the effects of this new technology.

Video in Training: For inhouse training, ½" VHS videotaping is the most flexible format for instruction. It offers opportunities to upgrade professional standards and increase a company's profits.

The revolution in video training is upon us all. Paper merchants have begun to realize that its applications are virtually limitless: to share messages from management (especially significant for multi-branch operations), to capture

NPTA'S ANNUAL

SALES DEVELOPMENT CONFERENCE



If the question is how to increase your *1985* sales, NPTA's Sales Development Conference has the answers.

Atlanta, Georgia **December 10-11, 1984**

National Paper Trade Association, inc., 111 Great Neck Road, Great Neck, New York 11021

visualized sales meetings to be used in training programs, to monitor performance of salespeople, etc.

Ms. Tim Bulmer, Supervisor of Training, Sunclipse, Inc. in Montebello, CA, sees video training as the communicator of the 80s. As Ms. Bulmer will demonstrate in her workshop at NPTA's second annual *Sales Development Conference* in Atlanta, GA on December 10-11, 1984, "programs can be tailored to our type of distribution. For example, video coverage of a flowable installation certainly provides more information than a brochure." The opportunities are vast.

Value-Added Selling

As product lines have diversified, customers become more demanding and merchants' market shares shift in a more competitive selling environment, the distributor must look to new ways to capture customers and retain old ones. As today's customers become more demanding, the merchant must move to greater levels of sophistication in marketing and management.

As the sales environment changes, paper distributors are witnessing a new dimension in sales and marketing—Value-Added Selling. This is a marketing principle by which the salesperson sells the total concept of value and not just the price of the goods themselves. The merchant knows that three sources of added value can be addressed:

1. Added value from the manufacturer
2. Added value from the distributor himself
3. Added value from the salesperson himself

One of the secrets to value-added selling is knowing what opportunities are available in each category and how to relate these benefits to the bottom line for the customer.

Today's paper distributor is exploring two exciting areas of value-added selling:

1. *Specification Selling* - the actual specifying of a specific brand, grade, color, texture or basis weight of paper for a particular job. The fine paper salesperson is no longer merely a salesperson, but rather a consultant versed in the products being sold, and the various jobs they can perform.

2. *Contract Selling* - as merchants' sales efforts become more sophisticated, the types of customers they sell to change. And so do their needs and expectations. Part of this future trend is the increasing use of contractual arrangements between the distributor and its customer.

3. *Strategizing for Account Development* - buying decisions are based on how well merchants' account strategies reflect the customers' professional and personal priorities. Strategizing enables a salesperson to identify the different categories in which needs can be grouped. This helps him to recognize the signals that indicate which needs are present, to take account of these needs on an individual call and in a total account development strategy.

Management Leadership

Paper distributorships' growth has traditionally been through more efficient and progressive methods of sales and marketing management and financial planning. In the 1980s, we have begun to see a new dimension and marked change. With growing concern over productivity, and need for new markets, paper distributors are now looking inward. There is interest in developing company personnel who operate at their full potential. The key to this new growth will be employee development predicated on supportive management attitudes.

Effective management leadership rests on selecting, managing, controlling and directing personnel with an emphasis on strategic and tactical planning, managing by objective, time management, motivation and control and appropriate compensation.

Inhouse training is becoming an increasingly important role of the sales manager. He or she is constantly looking for new ways to train a new sales rep, exciting ways to conduct a sales meeting a profitable means of establishing effective supplier relationships.

Sales Development Conference - An Opportunity for Growth

NPTA's second annual *Sales Development Conference* provides participants with the necessary tools to address these issues and provides merchants with the means of maintaining their competitive edge. The December 10-11 Conference, scheduled in Atlanta, GA can help merchants achieve a performance standard of excellence. The many workshops, printing and industrial sessions, distributor/supplier panel discussions all provide practical solutions that enable merchants to translate plans into day-to-day operations that reap consistent, long-term results. For more information and registration contact NPTA's Education and Training Department.

EVENTS

NOVEMBER

12-16. *Printech Week at RIT, Rochester, NY. Contact NPTA.*

13-15. *Trends In Paper Distribution Computerization Conference, Florida Center Hotel, Orlando, FL. Contact NPTA.*

29/1. *Phoenix in the Fall - A printer's celebration. Phoenix Civic Plaza, Phoenix, AZ.*

DECEMBER

10-11. *Sales Development Conference, Colony Square Hotel, Atlanta, GA. Contact NPTA.*

JANUARY

18. *Productive Opportunities For Paper Merchants, Los Angeles, CA. Contact NPTA.*

25-27. *Tenth annual Graphics of the Americas Show, Miami Beach, FL. Contact Printing Industry of South Florida, Inc., 305-757-3334.*

28-31. *EXFOR '85, Pulp and Paper Equipment Show, Canada. Contact Canadian Pulp and Paper Association, 514-866-6621.*

SALES DEPARTMENT PERFORMANCE

Part II: Inside Sales Performance

This is the second and final part of the Management Information article on paper merchant sales department performance. It is an analysis of merchant's *inside* (or sales service) personnel's performance for the years 1981-83. PAR (Performance Analysis Report) results presented in the following tables are *medians* (50% of survey participants' measures are better than these figures, 50% are below it).

Inside sales departments have become more fully recognized in terms of their potential contribution. With outside sales rep calls becoming more and more expensive, it makes sense to let them concentrate on new account development and maintain face-to-face contact only with important customers.

The sales service department can make outside reps' time more productive by: pre-qualifying sales leads, handling routine requests for prices, availability, and product information, and expediting business of marginal accounts.

Following is a summary of inside sales department performance for the three kinds of paper merchants:

Printing Paper

Sales service expenses have been taking a larger bite out of printing paper merchants' gross profits since 1981. They accounted for 9.7% of gross profits in 1983, and the 3-year average is 9.4%. This rate is higher than both industrial paper and dual merchants. Companies in the $8-15 million sales volume category had the highest costs at 10.5%.

Sales per sales service employee rose 7.8% to $2.42 million in 1983,* the highest of all three merchant groups. Average pay per sales service employee rose 6.4% to $18,200. Over the period 1981-83, pay increases outpaced sales per employee 6.9% to 4.9%. Compensation was highest in NPTA Region 2 (see p. 25 for list of NPTA regions) and lowest in Region 6. Pay was considerably higher than the median, $19,500, for companies in the $15-50 million sales range. Gross profits per employee have risen an average of 2.3% yearly, to $361,000 by 1983. Region 5 firms were substantially higher at $472,000.

The median sales service employee at printing paper firms handled 3,745 orders during 1983.* In companies with sales under $8 million, these employees handled 4,646 orders. Region 3 firms were highest at 5,629. The number of invoice lines handled was roughly twice the number of orders, 8,592 by 1983,* with Region 5 and 6 firms a little higher than average.

Firms with $50+ million in sales handled substantially more invoice lines at 10,042 per sales service employee. Gains in the number of orders and invoice lines handled per person have been strong in recent years, probably reflecting merchants' increased use of computers.

Industrial Paper

Sales service expenses as a percent of industrial paper merchants' gross profits have leveled off at 6.6% for the past three years. This is the lowest rate of the three merchant groups. In Region 6, however, expenses were 9.4%, and for firms in the $3-6 million sales volume, 8.3%.

Sales per sales service employee hit $2.12 million by 1983,* and are up sharply from $1.39 million in 1981. In fact, average yearly gains in sales per department employee were 26%, far outpacing salary increases averaging 5.6%. The average pay per sales service employee stood at $15,900 by 1983. NPTA Region 2 merchants paid the lowest salaries, while Region 5 firms had the highest rate. Gross profits generated per employee rose to $452,000 by 1983. They were much lower than this median figure in Region 6 ($259,000) and for companies with $25+ million in sales ($286,000).

The median industrial paper sales service employee handled 7,494 orders in 1983,* highest of all merchant groups. This is up sharply from 6,150 only two years before. Region 3 merchants have a much higher rate of 12,500, as do firms with sales under $3 million, 13,737 orders. The number of invoice lines handled rose to 27,188 by 1983,* but was much higher for companies in the $12-25 million sales volume - 44,137.

Dual Merchants

Sales service expenses represented 8.8% of dual merchant gross profits in 1983, about the same as 1982. This is second highest of all merchant groups. For companies with sales under $4 million, this rate was higher, 11.1%.

Sales per sales service employee inched up to $1.82 million by 1983,* with increases averaging 5.6% since 1981. Compensation has only increased 2.3% yearly, however, to $16,200 by 1983 for the median sales service person. Average pay for these employees rose relative to company sales for dual merchants. Gross profits generated per employee actually fell, to $301,000 by 1983. Average yearly gains here fell by 3.7%. Region 4 and 5 firms had substantially higher rates at about $390,000 per sales service employee.

The number of orders handled per sales service employee fell slightly to 4,309 in 1983.* This figure was higher for companies with $4-10 million in sales, 5,161 orders, and in Region 7, 6,150 orders. The number of invoice lines handled rose 9.5% to 11,134 by 1983.* Average yearly increases in both orders and invoice lines handled were about 5%.

***Editor's Note:** Typically, paper merchants employ more outside salespeople than sales service or "inside sales" personnel. Therefore, when dividing total company sales by the number of such people, the amount may appear high. In printing paper firms, for example, there are 2 outside sales reps for every sales service person. Consequently, the average sales generated per sales service person is $2.4 million, vs. $1.2 million for outside reps. It is important to remember that the sales' service person did not actually generate $2.4 million himself/herself. Total sales produced by *all* employees are merely divided by the number of sales service people.

Sales service expenses were 9.7% for printing paper merchants, 6.6% for industrial firms and 8.8% for duals.

Inside Sales Department Performance Measures
(Medians)

Printing Paper Merchants	1981	1982	1983	Avg. Yearly Change
Sales Per Sales Service Employee ($000)	$2,208	$2,251	$2,426	4.9%
Avg. Pay of Sales Service Employees ($000)	16.0	17.1	18.2	6.9
Gross Profit Per Sales Service Employee ($000)	345	347	361	2.3
Sales Service Expense As % Gross Profit (%)	8.9	9.6	9.7	--
No. of Orders Handled Per Sales Service Employee	3,362	3,346	3,745	5.7
No. of Invoice Lines Handled Per Sales Serv. Empl.	6,888	7,193	8,592	12.4
Industrial Paper Merchants				
Sales Per Sales Service Employee ($000)	$1,395	$1,862	$2,120	26.0%
Avg. Pay of Sales Service Employees ($000)	14.3	15.3	15.9	5.6
Gross Profit Per Sales Service Employee ($000)	330	419	452	18.5
Sales Service Expense As % Gross Profit (%)	6.4	6.6	6.6	--
No. of Orders Handled Per Sales Service Employee	6,150	6,828	7,494	10.9
No. of Invoice Lines Handled Per Sales Serv. Empl.	18,833	24,985	27,188	22.2
Dual Paper Merchants				
Sales Per Sales Service Employee ($000)	$1,638	$1,806	$1,820	5.6%
Avg. Pay of Sales Service Employees ($000)	15.5	15.9	16.2	2.3
Gross Profit Per Sales Service Employee ($000)	325	325	301	-3.7
Sales Service Expense As % Gross Profit (%)	7.8	8.7	8.8	--
No. of Orders Handled Per Sales Service Employee	3,930	4,371	4,309	4.8
No. of Invoice Lines Handled Per Sales Serv. Empl.	10,113	10,172	11,134	5.0

Source: Annual NPTA PAR Surveys

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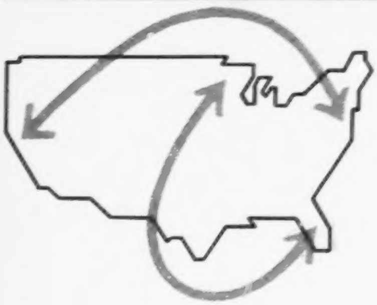

Professions Unlimited is a 12½ year old recruiting firm specializing in the paper distribution industry with emphasis on flexible packaging, fine paper and industrial supplies. Professions has placed over 100 people in these areas since 1981—from New York to California, Minnesota to Florida. 80% of those placed were experienced in the paper merchant trade, the remainder were from manufacturers serving paper merchants.

To find out how you or your firm can benefit from our services contact Carl Coco, Jr., CPC, Executive Vice President at Professions Unlimited.

*Please note: Currently we are unable to accept new openings in: Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, New Jersey, Michigan, Minnesota, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee and West Virginia.

PROFESSIONS UNLIMITED, INC.

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GREATER PRODUCTIVITY IN WHOLE

Discussion of productivity is everywhere. Its persistent decline counters the dramatic increases through the 50's and 60's. Reviving the increase in productivity is the key to real growth in earnings and everyone's standard of living. Employees have taken personal measures to avoid reducing their lifestyle, but now they are frequently turning to the employer and demanding that the company keep them ahead of inflation with greater raises. But, Corporate America is behind on inflation, too. It has been liquidating its resources, thanks to taxation on inflationary profits and an inability to cut dividends. And, Corporate America is looking at a competitive, slower growth economy which means that growing out of the problem is not a likely option for many companies.

There are many reasons cited for the productivity decline. More regulation has caused more inefficiencies in the free market system. Environmental, OSHA, and pension laws have provided a cleaner, safer, more secure environment, but these are not quantifiable and are readily forgotten as components of the standard of living. Inexperienced and disinterested workers are entering the labor force. These "new value" employees are responsible to themselves first wanting psychic reward and fulfillment which is found mostly away from routine jobs. Work performance deteriorates, but they expect more pay. The "old value" worker who sacrificed for the betterment of his family, the company, and his country seems to be disappearing. There are other causes, too.

Distribution's Opportunity

Distribution industries should take special note of these social trends and employee pressures. Distribution is more people-intensive than most industries and has less automation opportunities. Also, intuitively, most distribution businesses have optimization potential, as do all small, people-intensive, service businesses. The mark-ups on products seem high considering the safe liquidity of the assets and the simple value-added function of distribution when compared to the cost of computing power or the operating margins within the food processing industry. That is the difference between people and machines.

The term seat-of-the-pants management has and still does fit many distributors, who necessarily wear many hats, fight many fires, and cannot support sophisticated overhead to provide good control systems for a business. That is changing. For example, the efficiencies gained in inventory control in all distribution functions over the past five years has been phenomenal, and there is still more to be realized.

Finally, distribution management has done, historically, little planning. This has been coupled with a reactive style of management to new problems—solving them when they occur versus anticipating and acting now to avoid crisis, expense, and time-traps. *Necessity is forcing distributors to plan and be proactive.* The rate of change is faster; the problems larger; a reactive manager might not have the time or resources to cope any longer.

Where To Start: At The Top

Many managers think of hourly and clerical workers when productivity is mentioned. Picks/hour and invoice/office hour are measurements for areas where most of the employees are. All employees want to out-earn inflation, so the managerial reflex is to dream of having incentive, productivity programs for the majority of employees. Then, what they do is what they earn. This is possible, but the biggest benefits and helpful direction for designing programs for the hourly workers are both found at the top of the organization. Some key areas to consider are:

1. If a distributor is lucky and clever, he may have two to four **"tigers"** in key positions (division manager, sales manager, senior buyer, operational manager). These people hopefully have high energy levels, good interpersonal skills, technical knowledge, and high dollar motivation. An hourly worker might work 5 to 10% harder and smarter, whereas a tiger with incentive may work 50% or more effectively. He can implement programs that create operational and strategic leverage for the entire organization. *How you compensate the tiger is a key productivity resource.* If such a person cannot change his income by working sensatinally hard, then he might leave the company, physically or mentally. These key people when recruited, trained, targeted, and compensated creatively with incentives can do more for a company's performance than any other resource.

2. **Assets:** perhaps as much as 50% of a distributor's **inventory** is non-moving, excessively over-stocked, or low turn-earn. With a computer a 20% level is a reasonable target. For **receivables,** the sales force could have a negative incentive to share fairly the interest cost of receivables for their accounts which are past due some designated

SALE DISTRIBUTION

By D. Bruce Merrifield, Jr.
The Merrifield Consulting Group

number of days. Combine this measure with some positive incentive for a credit manager, and days outstanding should improve several days. *These measures free enormous investment.*

3. **Account and sales management:** A sales manager should spend 80% of his allocated time for the field with the two to three salesmen out of ten who need the training the most and are probably digging the hardest. And then, he should be calling on accounts which are explicitly designated as targets, problems, or prospects. Repeat, goodwill calls with experienced salesmen on established accounts are minimized. In the problem account area, the accounts that are unprofitable should be reformed or gently nudged to an unknowing competitor whose capital and overhead can be occupied, while target business is addressed at your firm.

4. **Buying and selling:** The two most sensitive factors for a distributor on his profit and loss statement are opposite sides of the same coin. *For every percentage point that cost of goods sold can be lowered or the gross profit on sales raised, the return on assets rises about 3%.* Senior buyers know many tricks for gaining concessions from suppliers; case studies for new buyers can accelerate the development of their awareness and judgment in gaining such concessions. Considering also that a buyer often quotes on the sell-side and manages inventory investment, he is vital. *A well recruited, trained buyer with an incentive is an awesome productivity opportunity.*

5. **Promotions:** Cracking new accounts and launching new product lines must be done over time. By selecting **screening criteria** that should be met before new accounts and new products are pursued, the probability of successful attempts can be dramatically improved which also reduces the number of costly programs that don't work. Also, a cross-referencing of top stocking items with top customers always reveals new opportunities. Selling a familiar, well stocked item, from a reputable supplier to an established customer is about fifteen times easier than selling the new item to a new customer. *Incrementally, realize the easiest new business before progressing to the more difficult.* Sell old items to old customers before progressing eventually to new items to new customers.

From The Bottom Up

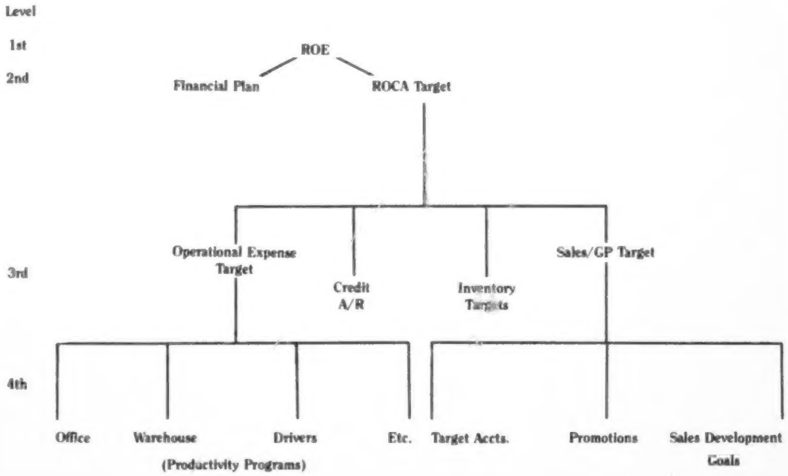
At a reasonably managed, small firm, the hourly and clerical employees are steady and accurate at what they do, assuming a year or more of experience. (Obviously formal training efforts with new employees will accelerate productivity and reduce the number of errors.) The productivity efforts should *focus less on working harder or faster and more on working smarter—* fewer errors, boosting average order size at the city desk, more efficient routing of trucks, more safety with workers and the equipment, better cooperation, reducing damage and wasted supply usage, and better understanding of the company's general goals and how each employee relates to those goals.

On cooperation and understanding of general company goals much could be said, but a few simple concepts. Employees have more interest and care for work when they know how their job relates to the general company goals, which if achieved benefits the whole team and translates into higher raises. Remember the two bricklayers - one is laying bricks, and the other is helping to build a beautiful church.

Secondly, assume that each employee has a little extra energy and time to add to the job beyond the routine of the day. If all employees know of a few operational goals for the company, then they will direct their energy towards those ends. It is like light passing through a ruby quartz crystal. For input, there is multi-waved, dispersed, white light; as output, there is a unified, monochromatic laser beam. People's well intentioned extra efforts will be multi-directional, incomplete, poorly focused, or conflicting unless they are channeled in the same direction.

Program Implementation And Design

1. **The hierarchy of productivity programs:**



At level 1, start with a target for shareholders ROE (return on equity). This gives the company a financial plan and provides the management team with a ROCA target (return on controllable assets - inventory and receivables). To achieve the ROCA target, sales has a gross profit target to hit, and operations has an expense target. Meeting both insures a certain operating profit which is the numerator for the ROCA equation. Then, receivables and inventory, the controllable assets, must hit their average target levels to insure a denominator that provides the desired return.

Managers on level three should have formal productivity programs and should have appropriate incentive based on some ROCA concept. Then, they would all be trading-off getting more gross profit growth against being tight on receivables, inventory and expenses—the service factors that new business is built on. If one manager had incentive for profit growth only, while another was compensated on keeping receivables low, there would be conflict. All programs in the hierarchy must feed into the ones above, and all incentives must be designed so that they are internally consistent with other team member incentives.

2. **MBO:** Use some goal-setting methods, but keep it simple and to scale for a small company.

3. **Interpersonal motivational skills:** Don't assume that a manager can run a goal-planning meeting and evoke maximum, open participation; that he can offer effective feedback in the form of crediting or constructive criticism; or that he can manage differences between himself and subordinates. There are excellent training programs for learning and reviewing these skills. *It is these skills that make the team succeed or fail regardless of how good the goals or plans are.*

4. **Work unit planning sessions:** For the office, warehouse, driving, etc., crews, there are some simple procedures for staging successful planning sessions. The approach should be to scale and not too formal.

5. **Designing a program:** The complexity, duration, ambition, and reward of a program must be consistent with the average maturity and attention span of the group. A mnemonic to use for the steps in designing a program is PRICE:

P - Pinpoint the problem to focus on.

R - Record and measure the past rate of behavior. This establishes a baseline and reference for setting a goal level.

I - Intervene and inform the employees of the past. Ask for group concensus on a goal. Expect to modify it downward due to over-ambition.

C - Consequences. These must be reinforced when desired behavior is performed.

E - Evaluate the trend. Are you getting the intended results? Are there some surprise by-products? If there are problems, rethink the program. If successful, be enthusastic.

6. Make productivity planning part of the formal corporate culture.

Through telling and selling, repetition and written documentation, the philosophy and procedure should be institutionalized.

There is a great productivity opportunity in distribution. To realize efficiencies is a big option for profitability in a slow growth era. Programs enrich the jobs of most employees and also provide a means for higher income. Both benefits are consistent with the general labor force demands in the 80's. And programs are easily done in a small business atmosphere.

D. Bruce Merrifield, Jr.

Bruce Merrifield is a business consultant specializing in wholesale-distribution. He has done seminars, research and special projects with NPTA as well as companies of many different types in distribution. His manufacturing clients that have an interest in distribution include AT&T, Coca-Cola, Raymond Corp., Westinghouse, Gould, and others. He writes a series of essays entitled "Distribution Concepts" that is offered on a subscription basis and his most common seminar topics address the areas of financial management, sales management, top management development and corporate strategy—all for distribution.

Prior to consulting, Merrifield, a graduate of Princeton and Harvard Business School was in the paper distribution business for six years. He was with a successful growth-by-acquisition chain that was noted for its state of the art management techniques and high profitability. His ideas on managing sales for growth are tested and well suited to paper distribution.

SEPTEMBER, 1984

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day September 1984 - Compared To - September 1983	Sales Per Selling Day September 1984 - Compared To - August 1984	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of Sept.		Calendar Days' Cost* of Ending August Inventory	
				1983	1984	1983	1984
INDUSTRIAL							
1	+8.5	+9.6	- 9.3	42	46	--	--
2	+11.9	+3.4	+ 4.6	34	37	55	51
3	+ 8.6	+0.4	+14.3	34	37	64	64
4	+ 8.3	+2.2	+10.7	36	39	53	51
5	+12.6	+6.9	+ 2.2	37	36	55	57
6	+ 3.5	-3.7	+10.6	38	40	--	--
7	+ 4.1	+4.3	- 3.5	35	38	59	57
NY Metro	+12.6	-3.0	- 3.3	43	46	--	--
Chicago Metro	+10.8	+8.6	+ 0.7	37	38	54	--
LA Metro	+ 7.2	+1.7	+10.5	50	52	53	--
US	**+ 8.3**	**+1.8**	**+ 8.3**	**37**	**40**	**56**	**55**
PRINTING							
1	+20.9	+9.6	+29.7	52	49	--	58
2	+20.3	+8.0	+28.5	44	47	62	62
3	+25.8	+7.9	+28.2	44	43	80	78
4	+15.4	+7.4	+21.2	45	40	75	71
5	+17.7	+9.1	+26.4	43	41	--	--
6	+16.7	+2.7	+13.8	39	40	--	--
7	+20.8	+7.2	+12.5	43	38	82	76
NY Metro	+23.3	+7.0	+38.1	42	42	--	--
Chicago Metro	+13.4	+11.0	+32.6	44	43	--	--
LA Metro	+9.8	+1.1	+24.6	40	43	69	79
US	**+19.0**	**+7.0**	**+26.3**	**43**	**43**	**74**	**72**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

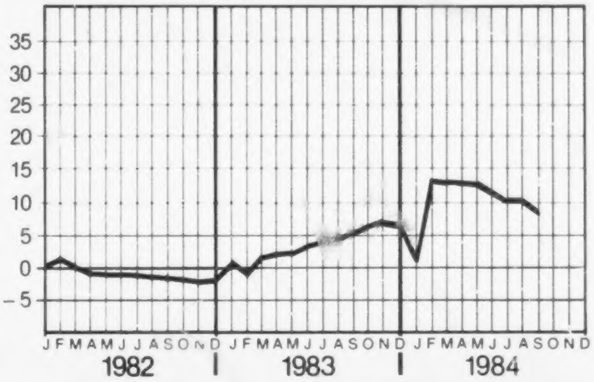
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1982 TO PRESENT

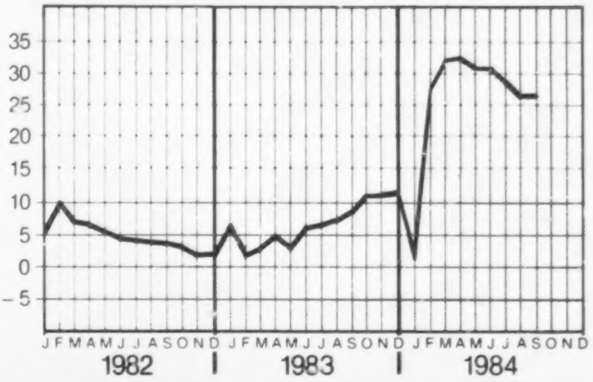
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



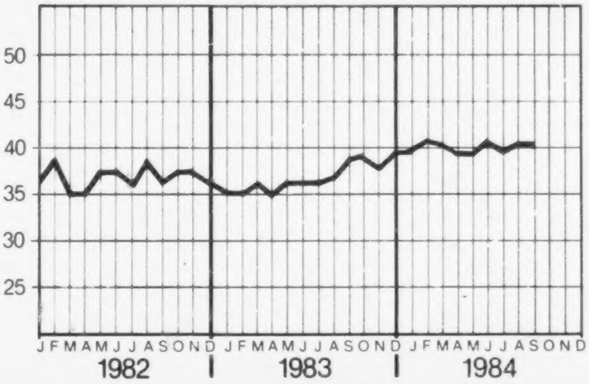
PRINTING PAPER SALES NATIONALLY



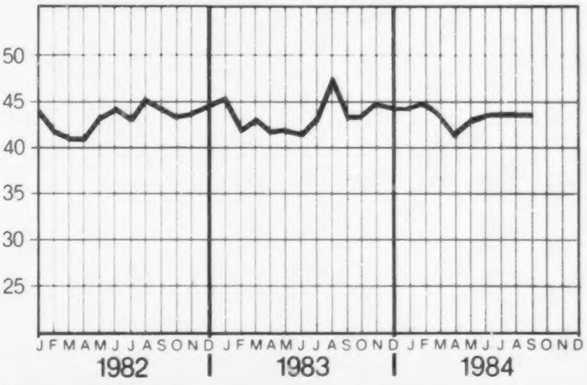
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



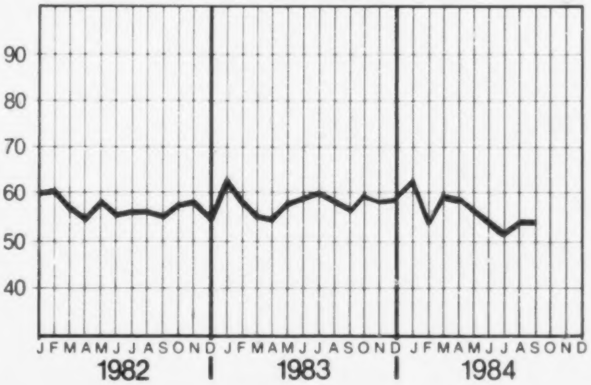
PRINTING PAPER INVENTORY NATIONALLY



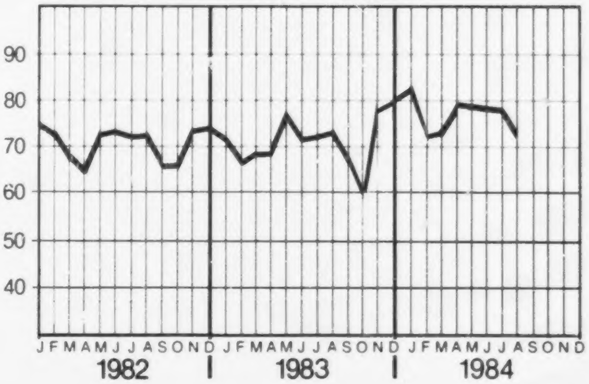
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



CUSTOMER COMPLAINTS CAN IMPROVE SERVICE

Certainly not a new idea, but a good one. It pays to review a few items that will help the company improve its service to all customers. As reported in the Research Institute of America's **Alert**, *the paradox of business is that the customer who complains is* **more** *likely to be a repeat customer than one who does not.*

Here are some rules to keep in mind: 1. Maintain a running count of the types of complaints the company receives—sort them and try to identify areas that need help. 2. Never let employees treat a complaint as the customer's fault—a complaint should be seen as a second chance for the firm providing the service. 3. Provide phone numbers and specific names of employees to call when customers have a problem—make it easy; insure complaints **are** *handled. 4. Make small adjustments automatically at point of contact—this can reduce paperwork and resolves the problem quickly.*

ARE YOUR PEOPLE PLAGUED BY THE VIDEO BLUES?

Dr. Leon J. Warshaw of NYU claims VDT (video display terminal) operators may be vulnerable to severe stress-related disorders caused by job dissatisfaction and loss of job security he calls "video blues." This can range from depression to insomnia and is characterized by fatigue, physical isolation and monotony.

There are an estimated 10 million electronic workstations in place in the U.S. and Bernard Gallagher in the **Gallagher Report** *expects that number to reach 50 million by 1990. VDT-related health risks may be great. A 2½ year study at Mt. Sinai hospital in New York found that VDT operators suffer more headaches, eyestrain, neck and back pain compared with non-users. And, VDT operators were absent from work ¼ day per year more.*

A FREE BUSINESS NEWSLETTER

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IMPACT OF BANKRUPTCY REFORM

Enactment of the Bankruptcy Court Reform Act has broken a two-year deadlock that threatened to destroy the U.S. bankruptcy system reports the National Association of Wholesaler-Distributors. A Supreme Court decision in 1982 created a crisis in the system when it ruled it was unconstitutional for bankruptcy judges to decide certain disputes because they didn't have life tenure and thus were not totally independent of any other branch of government.

Later, the Supreme Court added fuel to the fire by ruling that financially troubled companies could unilaterally void labor contracts in a bankruptcy proceeding. In addition, the 1978 amendments to the law had created serious abuse situations especially those involving consumer bankruptcies.

> *The preference provisions of the Bankruptcy Code impact significantly on wholesaler-distributors who are generally unsecured creditors.*

While the reform law directs itself to the issues of judicial tenure, labor contracts and consumer debt matters, it does not address an area in the bankruptcy law that has impacted particularly hard on the wholesale distribution industry in this age of easy-to-obtain discharge of debts through bankruptcies.

Preference Payments

The preference provisions of the Bankruptcy Code impact significantly on wholesaler-distributors who are generally unsecured creditors. Under these preference provisions, a trustee in bankruptcy or a debtor-in-possession may avoid any payment or other property transfer by a debtor to or for the benefit of an unsecured creditor where the payment is made:

1. For or on account of a debt owed by the debtor which existed prior to the bankruptcy filing; and
2. Which was made while the debtor was insolvent; and
3. Is made on or within 90 days before the commencement date of the bankruptcy proceedings, where the effect of the payment is to enable a creditor to receive more than he would get in a liquidation under the Code.

The trustee or debtor-in-possession has the benefit of a presumption that the debtor was insolvent during the 90 days prior to the commencement of the case.

Pay-Back May Be Required

Under the preference provisions, a wholesaler-distributor, who is an unsecured creditor and who receives payment of a debt owed to him by a party that later goes into bankruptcy, could be required to *pay back* those funds should all conditions be met.

Protective Measures Available to Wholesaler-Distributor

There are a number of exceptions to the preference provisions of the law. One is termed the ordinary course of business exception and occurs where the payment is made within 45 days of the date the debt was incurred.

Thus, a wholesaler-distributor who bills in such a manner as to ensure that invoices are routinely rendered on a timely basis and that payment is made within 45 days from the date the debt is incurred can come under the ordinary course of business exception to the preference provisions of the Code.

Application of payments received can make a difference. By routinely applying payments to the most recent debts, the exception can be triggered. Thus, if a debtor has two open items, one 60 days old and the other 30 days old, application of a payment to the 60 day account will not trigger the exception but application to the 30 day account could, as long as the prevailing policy had been to routinely apply payments to the most recent debt.

Another exception to the preference provision can occur where a transaction is structured as a cash transaction rather than one for credit, if in fact, payment is made to the seller substantially contemporaneously with the delivery of goods or services. If payment is made by check, failure to immediately deposit the check or acceptance of a post-dated check can negate the contemporaneous requirement for the triggering of the exception.

Right of Reclamation

In certain situations, an unsecured creditor, such as a wholesaler-distributor who has sold goods to a buyer who receives the goods while insolvent, can stand in a preferred position as a creditor. This is through exercise of the right of reclamation, which while a limited right is nevertheless valuable in particular situations.

The reclamation method will work in those instances where the wholesaler-distributor has just delivered goods and becomes aware of the bankruptcy of or of a plan to file bankruptcy by the purchaser. The wholesaler-distributor must then, before ten days elapse from the delivery of such goods, demand in writing the reclamation of the goods. The right of reclamation does not in the vast majority of cases result in a return of the goods, but the proper and timely exercise of the right does make the wholesaler-distributor a secured creditor as to those specific goods.

Effect of Labor Contract Provisions of the New Act

The new provisions relating to restrictions of unilateral voiding of labor contracts are designed to prevent financially troubled companies from unilaterally voiding a union contract. Such a company would have to seek court approval to break the contract after it has first tried to negotiate changes with the union. Where the proposed modifications are made in good faith and are determined to be fair and equitable to all parties and necessary for a successful reorganization of the troubled company, the court can order a cancellation of the contract. If the court fails to act within 30 days after commencement of "good faith" hearings on the application of the troubled company, that company may then unilaterally terminate the labor contract.

Consumer Code Bankruptcy Changes

Under the newly enacted law, a judge can deny a request of a consumer/debtor to write off all indebtedness if to do so would amount to a "substantial abuse" of the bankruptcy system. Debtors must now list current incomes in their filings and the law sets a $4,000 aggregate ceiling on all personal exemptions. Cash advances to debtors of $1,000 or more made within 20 days of a bankruptcy filing are presumed non-dischargeable under the law. Consumer code provisions generally tighten up the system to reduce abuse situations.

The compromise on the new bankruptcy court judges is still a matter of unsettled law and could result in a return of the whole bankruptcy package to the Congress. In the interim, the system needs to work efficiently to reduce the pending load of an estimated 600,000 cases involving companies with assets aggregating over $90 billion.

> *The new provisions are designed to prevent financially troubled companies from unilaterally voiding union contracts.*

THE NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

Wholesalers in all commodity lines have eyes and ears in Washington: The National Association of Wholesaler-Distributors (NAW). And a strong voice. Formed more than 30 years ago to protect and advance the interests of distributors, the NAW stands today as one of the most influential business groups in the nation's capitol.

Wholesalers, through commodity line associations such as NPTA or directly, receive a steady flow of timely information on legislative affairs. There are more than 100 associations affiliated with NAW, supporting its efforts, thus creating a powerful federation. The combined strength of over 45,000 firms from throughout the country are represented by NAW and kep informed of its work on behalf of all wholesalers.

Specially, NAW has lobbied successfully for product liability reform, inventory valuation simplification and reform, capital investment incentives, tax reform, and a uniform federal procurement system. This has been accomplished through its "Washington Action Network"—a computerized file of wholesalers matched with the Congressional representatives; and through WDPAC—Wholesaler-Distributor Political Action Committees. In the 1980 election, WDPAC had an 80% winning record of all Congressional candidates supported.

NAW was able to accomplish these tasks because of its respect of the Hill. Both houses of Congress and the executive branch know of the association's integrity. These efforts have given all whoelsaler-distributors greater stature. Lawmakers in Washington have come to realize that wholesalers are an important part of America's business and economic mosaic.

NEW NPTA/HERTZ RENTAL PROGRAM

The success of this program has pushed discounts to 35% or more for NPTA members.

Through special arrangement with Hertz and the National Association of Wholesaler-Distributors (NAW), NPTA has obtained an increased rental discount for members of the Association. This provides a savings of 35% or more in the new *Nationwide Flat Rate* pricing structure.

This is the first program of its type in the country, reports NAW. When this was first offered to NPTA members in 1982, the discount was fixed at 13%. The volume generated by the program led Hertz to increase that discount to 18%, then 20% and 22% late in 1983. Now a year later, a whole new scheme with a much higher discount has been created.

The New Rates

The average discount is 35% or more. That applies to Hertz car rentals anywhere in the country. An example of the savings based on a "Class C" (mid-size) car can be seen in the table below.

The savings are great for all size cars as well.

Car Class	New Flat Rate Per Day
(A) Subcompact	$33
(B) Compact	35
(C) Mid-size	37
(D) Full-size, 2 door	39
(F) Full-size, 4 door	41
(E_5) Full-size station wagon	44

The flat rate makes all calculations easier. Weekly rates are seven times the daily rate and monthly rates are four times the weekly rate.

Obtaining Discounts

A special "NAW/NPTA CDP ID#" is available from Association headquarters if it has not been received. All members of the Association have been advised of this in previous mailings. This number must be given to the Hertz reservationist or counter agent when renting a car to obtain the 35% discount. Be sure that the special number is entered on the rental agreement by the counter agent.

For more information, contact the NPTA Communications Department.

Mid-Size Car Daily Rental

City	Stand. Unlimited Mileage Rate	With Old 22% Discount	New Flat Rate	Total Savings	Effective Discount
Atlanta	$57	$44	$37	$20	35%
Boston	78	61	37	41	53%
Chicago	72	56	37	35	49%
Dallas	60	47	37	23	38%
Los Angeles	65	51	37	28	43%
New York	81	63	42*	39	48%
Tampa	51	40	37	14	27%
Washington, DC	72	56	37	35	49%

*The NATIONWIDE FLAT RATES will be $5.00/day higher in Manhattan, and at LaGuardia, JFK, and Newark Airports.

NEW REPORT ON FIELD SALES MANAGEMENT AVAILABLE FREE

NPTA's Education and Training Department has published an indepth review of the role of the field sales manager in the paper distribution industry. The eight page report is available free.

The article discusses the primary role and responsibilities of the paper distributor's field sales manager. The first and foremost objective of the manager is to maintain and increase company sales through its sales force. The methods involved include: developing sales personnel, reviewing performance, motivating the sales force, territory and account planning and sales control.

The traditional transition to a field sales manager position has been from the ranks of the field sales force. This makes sense because the job requires a basic, thorough understanding and knowledge of the selling process. It requires the development of new skills, attitudes and knowledge and it is the responsibility of marketing management to provide for adequate managerial training to make the transition effective. The Education and Training Department has dealt with this issue in its eight page report. For your free copy write or call NPTA's Education and Training Department.

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NPTA MANAGEMENT NEWS

DECEMBER 1984

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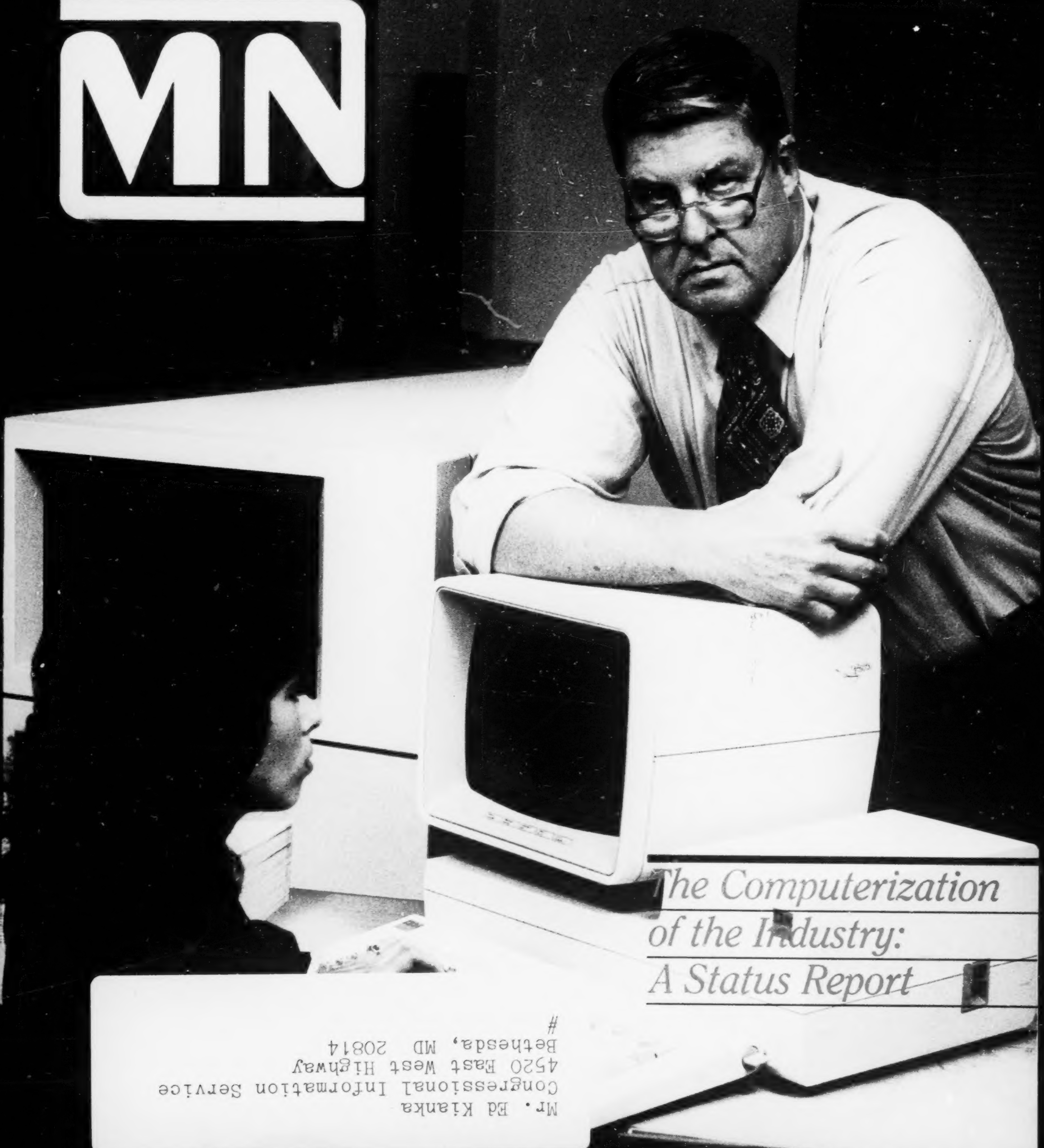

The Computerization of the Industry: A Status Report

Mr. Ed Kianka
Congressional Information Service
4520 East West Highway
Bethesda, MD 20814
#

NATIONALREGIONALITY

There is a new printing paper distribution group in the industry, one with **nationalregionality**—the service orientation and responsiveness of a regional distributor backed by the resources and continuity of a national organization. It's new, and it's one hundred-and-fourteen years old. It's the Printing Paper Unit of the Crown Zellerbach Distribution Group, and it's steeped in the tradition of good service, integrity and value that is the Crown Zellerbach name.

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Ben Asen

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GNN BUYS CHATFIELD

Great Northern Nekoosa has reached an agreement to acquire Chatfield Paper Company, North Haven, CT. Chatfield will become part of Butler Paper Company, a division of GNN.

Chatfield has been serving New England for over 112 years, has three outlets, 150 employees and has sales of approximately $50 million annually. The acquisitions of Chatfield represents significant growth for Butler which currently serves the western two-thirds of the United States. F.G. Walker, president of Butler, said that "Chatfield marks an important growth step for Butler in the Eastern United States." He also announced that Alan E. Lang will continue to serve as president of Chatfield but will also become vice president-Eastern Region for Butler.

MANUFACTURERS REPORT THIRD QUARTER GAINS

It is clear now that paper manufacturers are riding high on the economic recovery as their plants reach full capacity. Most are reporting that the third quarter of 1984 is up significantly from the same period a year ago.

Champion International's third quarter showed net income to $40 million—up 64% from the $25 million reported for the same period the year before. Third quarter net sales were fixed at $1 billion—equal to the sales level for that quarter of 1983.

St. Regis had revenues rise 13% to $835 million in the third quarter, while net earnings more than doubled to nearly $50 million. The 1983 period had net income fixed at just over $19 million.

Scott Paper Company reported that its third quarter net income increased 39% to just over $50 million, compared with $36 million for the same period a year earlier. Sales of $628 million were running 3% ahead of the third quarter of 1983, but could be seen as 9% ahead of last year when adjusting for the divestitures of the Brown Jordan and the Foam divisions.

Great Northern Nekoosa reported that its third quarter 1984 was a record: net income of $31 million on sales of $472 was an increase of 84% from 1983 figures.

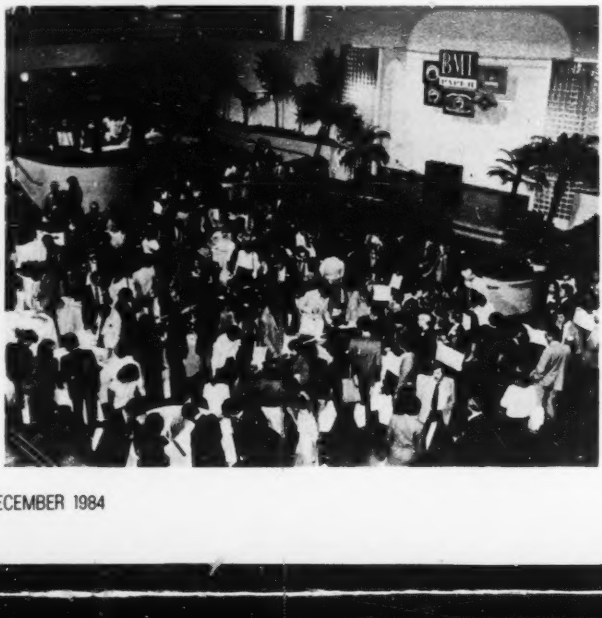
The company also reported that sales by business segment, for paper converting and distribution, was $154 million—up 19% from the $129 million reported for the same period a year earlier. Operating income for the segment was fixed at almost $9 million—an increase of 43%.

Louisiana Pacific announced that its quarter was 58% higher on a 14% sales increase over the corresponding quarter a year ago. Sales were $313 million for the third quarter 1984, earnings were $7 million.

Pentair saw sales increase 94% from the same period in 1983 to $142 million. Net income was up 77% to $5 million.

BM&T PAPER SPECTACULAR A SUCCESS

On October 4, 1984, Blake, Moffitt & Towne turned San Francisco's Giftcenter Pavilion into a Paper Spectacular that has become an annual event. Attendance by specifiers and buyers of printing was over 1200. The 36 winning entries in the Mead Annual Report competition were viewed by participants as well as displays by other paper manufacturers and Bay Area printing craftsmen were shown.



WILL MAINE'S FOREST PRODUCTS INDUSTRY SURVIVE?

The most heavily forested state in the Union, Maine, is also the state facing the most serious threat to its paper industry: a shortage of trees. State authorities predict that within 35 years, fewer than 5% of the state's trees will be suitable for industry.

Maine's economy is heavily dependent on its forest products industry. According to a recent *New York Times* article, this one industry fuels 43% of the state's manufacturing output. Although increased demand for paper and wood products has placed a greater burden on Maine's forests, a large drain on forest reserves has been the budworm. 15 million cords of softwood trees have been killed in the past 10 years. That is equal to a loss of five years' harvest.

The largest paper producer in Maine is Great Northern which owns 10% of the state's forests. While the government is working to control the budworm, Great Northern is putting $1 million into a pilot project that will use more hardwoods for pulp, thus alleviating some of the burden on Maine's softwood forests.

PEOPLE IN THE NEWS

Jack J. Mueller has been named president of The Mellocraft Company of Toledo, OH. Mellocraft is part of the CDA Distributors Division of the Hammermill Paper Company.

Jim Travis has been appointed sales manager at Mead Merchants, Indianapolis, IN. **Jim French** has become sales promotion manager of the company's Columbus, OH operation.

Thomas Chad, executive director of the National Paper Marketing Council of Australia, passed away. Mr. **H.G. Kraefft** has

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become the new executive director of the association.

Jim Ronza has been named corporate credit manager of the Monarch Paper Company, Houston, TX. **Virgil Klint** has become the Houston distribution center manager, and **Sam Grant** was named customer services manager.

Charles V. Morris, retired vice president of Saxon Industries, passed away at the age of 75.

Jon W. Warner, Jr. has been elected president of Gulf States Paper Corporation.

Edward J. McMahon has retired as president and chief operating officer of St. Regis Corporation.

PAPER USE STILL ON THE RISE

In 1984, the number of pieces of paper processed by businesses hit 1,400,000,000,000 (1.4 trillion). That is up 65% in only three years. The amount of cut size paper sold between 1973-83 doubled to reach 4 billion pounds last year. Although computers are storing more data, backup is still on paper. This may change in the future when optical and laser disks become more prevalent and reliable, but for the time being, paper use is growing stronger.

RECORD START UP ACHIEVED BY WEYERHAEUSER

Weyerhaeuser's lightweight coated mill in Columbus, MS reached full capacity last August after less than 24 months on-line. "During August," stated Keith Lamb, Weyerhaeuser vice president, "our Columbus team manufactured an average 516 tons of prime grade paper per day. This level of sustained production exceeds the mill's full rated capacity of 500 tons per day."

Lamb was quoted in an October article appearing in *Pulp & Paper* magazine that also noted that approximately two-thirds of the mill's production force had no previous pulp or paper making experience.

API SUMMARIZES WAGE NEGOTIATIONS AT MILLS

The American Paper Institute (API) reported that in 1984 thus far, mills have negotiated one to four year agreements with workers. Since January 1, eight mills have developed one year agreements; 24, two year agreements; 68, three year agreements; and, two, four year agreements.

With regard to first-year wage increases, 102 mills, representing 41,359 workers had an average wage increase of 3.9%. This is compared with a 5.5% increase for the same period in 1983.

SEALED AIR OPENS NEW FACILITY

Hodgkins, IL, a Chicago suburb, is now the home of the new Sealed Air facility that combines manufacturing and sales. The plant is 105,000 square feet and is designed to service the midwest area better.

This facility brings together under one roof Sealed Air's north central regional sales office (formerly in Oak Brook Terrace, IL) and a manufacturing plant that was located in Chicago. Sales and technical sales support functions will be expanded as well as the modernization of the company's midwestern packaging laboratory that offers computerized package design and evaluation services to customers at no charge.

INSTANT BOOKS

Computers and electronics have allowed publishers to trim more and more time from their already tight production schedules. Recently, two books about Geraldine Ferraro were a case in point. According to *Quick Printing* magazine, from the time the manuscripts were submitted to JKS Publications until the moment the finished books were in the hands of distributors was *one week*. That included all typesetting, composition, artwork, printing and binding of each 200 page book. Not bad!

Lasher (L) and Schefkind wade through a sea of papers to acquire Fonda.

SAXON SELLS FONDA TO PRIVATE GROUP

A group of private investors has acquired the Fonda Cup & Container Division from Saxon Industries, Inc. The transaction was handled as a cash sale for $17,755,000, which is subject to final audit.

The Fonda Group, Inc., as the company is now named under its new ownership, is a nationwide manufacturer and supplier of disposable paper products, including cups, plates, trays, cans and food pails, for both consumer and institutional food use. Fonda's annual sales are approximately $60 million. The company has 600 employees. The new ownership includes Albert C. Lasher, chairman and chief executive officer and Ronald E. Schefkind, president and chief operating officer.

AMERICAN JOINS NPTA

The NPTA welcomes the American Paper Company of Madison Heights, MI as its newest member. The corporation, established in 1969, is a printing paper merchant with a 14,500 sq. ft. warehouse and 19 employees. David H. Hauser is the president and treasurer, Bernard K. Irwin is executive vice president and Robert A. Wheeler is office manager.

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PRINTING PAPERS

PRINTER INCOME IS UP 21% REPORTS PIA

21.27% up to be exact! According to the Printing Industries of America (PIA) annual Financial Ratio Study of their membership, this increase far exceeds the 7.09% increase in income reported by printers a year ago.

PIA attributes the healthy rise in part to the economic rebound, but also states that "improved management" has added to printers' profits. William A. Rose, the association's director of financial services, said "The study shows that firms in our industry have become much more cost-efficient. It's clear that printing firms have enhanced their profitability through better management of assets."

The full report is published in 14 volumes; each costs $90 to non-members of PIA. For more specifics, contact: William Rose at PIA headquarters at 703-841-8100.

FLEXO IS BIGGER THAN EVER

The results are in from the third Flexo Plant Survey conducted by the Flexographic Technical Association. Flexo is expanding and is now being used more frequently to print on paper.

The market size of flexographically printed or converted products in the United States is nearly $30 billion. And according to the survey, a large percentage of flexo printers are involved in two or more market areas (for example, label printers may also be doing commercial printing).

The industry views itself as in a growth mode. Capital expenditure is foreseen by most companies within the next three years. As a matter of fact, almost 46% of presses are 10 or more years old and only 26% are 5 years old or newer.

SAMPLING KITS FOR PRINTERS DEVELOPED BY NPTA

Unveiled for the first time at NPTA's Annual Convention, the Quality Sampling Kit combines all the necessary elements needed to capture important data. "The manufacture of this kit represents the final part of our work in the area of printers' quality concerns," stated Richard W. Abrams, CEO of West Coast Paper Company and first vice chairman of NPTA. "The Printing Paper Division began looking at customer needs in this area two years ago and we now have a complete system for data collection."

The development of the Printing Paper Division's project was supported by the National Association of Printers and Lithographers, Printing Industries of America and the National Association of Printing Ink Manufacturers. These groups, plus the input of 35 printing paper manufacturers and many merchants, gave NPTA the needed information about quality concerns and how each group wanted to see problems handled.

The system recommended by NPTA involves the capturing of all important data when an ink on paper problem is encountered at a printing plant. The "Quality Report" is a detailed, but easy to use form. It allows the printer, paper salesperson or others to get those details down on paper before essential data is lost to time.

The Quality Sampling Kit is the second step. Although sampling procedures are listed on the back of the Quality Report Form, the kit gives anyone taking the samples the tools needed to get the right material to substantiate the problem. Lists of directions for taking samples are included in the kit and are printed on pressure sensitive stock. The Printing Paper Division Committee suggests printers stick one on the pressroom wall.

There are one and one-half ounce canisters for taking ink samples and four ounce poly-bottles used for holding fountain samples. (These sizes were recommended by the National Association of Printing Ink Manufacturers.) Also included is a roll of clear tape in a dispenser for taping the blanket and a number of clear acetate sheets for holding those tape samples. A sheet of pressure sensitive labels is in the kit for marking samples taken. All is packed in an attractive 10 x 4 x 3 inch box with a two-color cover.

Quality Sampling Kits are available from NPTA at $7.00 each or $94.00 for a lot of 25 (shipping costs are included in the price). Contact the NPTA Communications Department to place orders.

INDUSTRIAL PAPER

NEW STUDY VALIDATES "MORE SANITARY" CLAIM OF SINGLE SERVICE DISPOSABLES

The Single Service Institute reports that a new study soon to be completed by researchers at the Universities of Virginia and Wisconsin contains additional evidence that suggests that many viruses (that cause the common cold) are spread mainly by hand contamination and less by coughing or sneezing. The study contends that a cold sufferer may contaminate his hands while blowing his nose or sneezing. He then transfer the hardy organisms by touching others or household objects where the viruses may live for hours or days.

These findings strengthen claims by single service manufacturers that food service as well as other single service items such as sugar, salt and other condiment packets are more sanitary. The additional handling that reusables receive from dishwasher operators (assuming that the dishwasher has effectively eliminated viruses deposited on utensils by diners themselves) leaves these reusables liable to contamination with cold viruses that may then be picked up by diners. Full and final results of the study are to be published shortly.

TISSUE MANUFACTURERS EMBARK ON NEW MARKETING DIRECTIONS

According to a recent article published in the *New York Times* "Business Section," makers of facial & bathroom tissue are aiming to increase their current consumer and industrial market share by producing and promising additional properties to their products.

Procter and Gamble has introduced a product to be called "Special Touch by Puffs." The product, a facial tissue, that is treated with lotion, shares the same name as their premium priced Puffs. P&G has also been testing a lotion-treated toilet tissue called Certain which they say has not yet met with any great success.

The Scott Paper Company is also testing these same kinds of products. One called Sofkins is a cleansing wipe and is much like their Baby Fresh product. Kimberly-Clark Corp., that manufactures Kleenex, has begun testing a product named "Avert Viralcidal Tissue" on a limited basis. This facial tissue is treated with antiviral medication.

According to the article, prospects for these products range from extremely promising to dismal. These product introductions reflect a trend on the part of manufacturers to take advantage of what they feel is consumer interest in higher priced, quality products.

The current strategy is to sell more of a familiar product by adding novel features. For distributors, these products may well represent new business in the areas of nursing homes, hospitals, schools and other institutional business as well as hotel and "executive suite" business.

George Adler, an analyst with Smith, Barney, Harris, Upham & Company has stated that "it's a way of segmenting the market by offering new products to improve both sales and profit margins." But manufacturers' representatives have chosen instead to claim that rather than it being merely a new marketing technique, they now are offering better and more useful products to both the industry and the consumer.

With the economy improving, the industry is now searching for products that can regain lost ground and become new high-profit makers. These new products are being promoted as being superior to the current premium brands and as a result manufacturers feel they deserve to be higher priced.

Mr. Adler went on to state that the trend toward "softer" was over and that, ". . . in the '70's, and in the period between 1980 and 1982 consumers traded down instead of up."

Figures compiled by Mr. Adler showed that private label and generic facial tissue captured about 25% of the market by 1980, from what was estimated to be a 10-15% in the mid-1970's. By the end of last year that share seems to have dropped a bit to 21%.

Whether the enhanced tissue products will catch on remains a question. Treated bathroom tissue has been tried on and off with little success since 1857. That is when Gayety's medicated paper was introduced (20 years prior to the idea of indoor plumbing in the home).

The problems with these new products seem to indicate little hope now for their wide-range acceptance. Procter & Gamble's Certain, which is priced about 10¢ more a roll (wholesale) than its premium Charmin, has only 200 single-ply sheets—50% less than the single-ply Charmin. The product has had two transformations since its testing began three years ago. The first version was judged "too oily," the second appeared to be dry and slightly powdery. Analysts have stated that the product is now being offered in only 1.9% of the country—far less than the norm for other products which reached far more areas in less time.

The jury is still out on Scott's Sofkins, a product in a single-sheet dispenser meant to be used with bathroom tissue. But products that combined facets of Certain and Sofkins were tested in the 1970's and never went any further. The International Playtex Corporation and American Can Company both unsuccessfully tried out products such as these.

Sofkins are wet to the touch, a quality that analysts say has proved unpopular. Scott has addressed the dispenser problem by offering a plastic hanger that attaches to the bottom of conventional bathroom roll holders.

Of all the new products, analysts generally say the most promising is Kimberly-Clark's facial tissue Avert, now in test markets. The company says its product helps stop the spread of colds.

Kimberly-Clark, which leads the industry with its Kleenex brand, developed Avert in conjunction with the University of Wisconsin at Madison. Research carried out there found that the tissue, treated with citric acid, malic acid and sodium lauryl sulfate, effectively killed the rhinovirus, considered a leading cause of common colds.

"It will not cure your cold," said Ron Goodrow, a spokesman for Kimberly-Clark, "but it will kill those viruses that cause colds to spread."

The three-ply Avert has antiviral agents sandwiched between the layers. The package contains 60 tissues, a quantity based on industry findings that on average, 60 tissues are used during the course of a cold. It will retail at about two to three times the per-sheet price of regular Kleenex.

CORNELL STUDY ENDORSES DISPOSABLES FOR MICROWAVE USE

An additional strong endorsement for disposables comes from a recent press release from Cornell University which states: "Modern cooks soon may be popping casseroles, custards, and cakes into disposable paper, plastic and foam containers for baking in microwave ovens. By the 1990's, metal and glass cookware may be gathering dust in homes where microwave ovens are used."

This should help distributors in making their case to institutional food services and vending "self-serve" food programs in institutions and work places. As the growth in usage of the microwave increases in many applications, it should bring with it an increase in sales of disposable food containers and thus increases industrial paper distribution sales in the area.

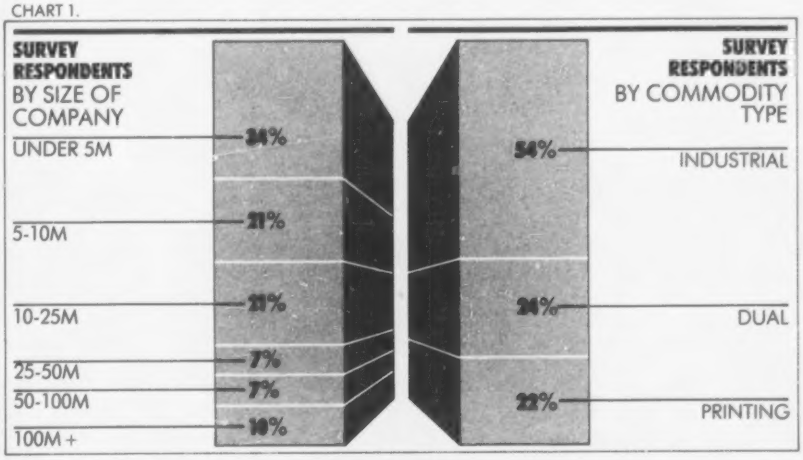
THE COMPUTERIZATION OF THE INDU

The National Paper Trade Association conducted a survey to determine the degree of computerization that currently exists in the paper distribution industry. The membership of the Association represents approximately 70% of the total volume of paper and allied products that flows through distributors nationally. This is the pool that was sampled for NPTA's annual status report on the computerization of the paper trade.

The survey was mailed to 535 member company presidents in September, 1984. (See Chart #1). They were asked to respond to specific questions regarding hardware, software, computerized functions, EDP expenses and specific issues of importance. 170 useable forms were returned representing a 32% response rate. This rate, nearly one-third of all those polled, is significant and provides meaningful data on the industry's use of computers.

The Association tabulated the responses and presents them here as a guide to those interested in the impact computers have had on the paper distribution industry. A short survey can, in no way, be the definitive word on computerization. NPTA does not wish to have readers use this survey as a recommendation for the purchase of hardware and/or software. The purpose of this report is only to provide readers with the best available information on the subject.

CHART 1.



A visit to an applicance store tells the tale. Walking up and down the rows of refrigerators, stoves, microwave ovens and dish washers catches the salesman's attention. He says, "...and this baby is totally computer controlled. It remembers how you like your roast beef cooked, it has an atomic clock accurate to one-millionth of a second and will call you by name when dinner is ready." Hallelujah! Finally, a product that everyone really needs.

Computers and microprocessors are everywhere. It was not so long ago that one could actually find a car that didn't have integrated circuits, airplanes being flown without computers, clocks that had hands, and paper merchants doing business without terminals. Today, one must look hard to find these.

As a matter of fact, a recent survey of the paper distribution industry conducted by the National Paper Trade Association on the status of computerization of the paper trade revealed that 89% of respondents were using computerization in some form: 77% their own equipment, 12% service bureaus. (See Chart #2). Of the remaining 11% not computerized, nine out of 10 *will be* in the next 18 months. It is interesting to note that a significantly higher percentage of printing paper merchants are using service bureaus—two-to-one compared with dual merchant houses and three-to-one over industrial distributors. 82% of industrial paper merchants, on the other hand, are using their own computer compared with 75% of printing houses and 79% of duals.

Computerized Functions

Paper merchants surveyed said that accounts payable/receivable was their most important computerized function. This was followed closely by inventory management and thirdly, sales/marketing information. Order entry was also seen as a necessary part of their computer application profile.

"There is a cycle to the purchasing of paper, paying for it, warehousing it, selling it, collecting payment from the customer and then analyzing the sales result," said Paul Ruffing, assistant treasurer of The Cincinnati Cordage and Paper Company. When asked recently about the significance of this cycle of functions to paper merchants considering computerization, he said, "You may not be able to jump into computerization and do everything at once, but merchants should think of it as a cycle, an overall system, and work toward that end."

Data Processing Expense

Computers have increased productivity at a lower cost than processing information by hand. Everyone knows this, but what are paper merchants spending on their total data processing operation? The NPTA survey revealed that most paper distributors are spending less than 1% of net sales on EDP. (See Chart #3).

Data processing expense was defined for this

STRY: A STATUS REPORT

survey as all payroll costs and overhead, etc. Those surveyed were asked to exclude the cost of all hardware purchases.

62% of those responding to the survey are spending 1% or less of net sales on EDP and 86% are spending less than 2% of net sales on EDP expenses. 89% of industrial merchants, 84% of printing and 62% of dual merchants had expenses that were 2% of net sales or less. It is significant that dual merchants were spending more. 38% of all dual paper merchants spent more than 2% of net sales on EDP, while 16% of printing and only 11% of industrial merchants had EDP expenses in excess of 2%.

Some merchants have found EDP expenses to be a necessary part of holding the line on personnel costs. Alan E. Lang, president of The Chatfield Paper Company of North Haven, CT said, "As far as the cost is concerned, sure we're cost conscious, but I believe that by spending money for upgrading our EDP we are going to hold down the addition of new employees. That means we will be able to handle more business with the same number of employees."

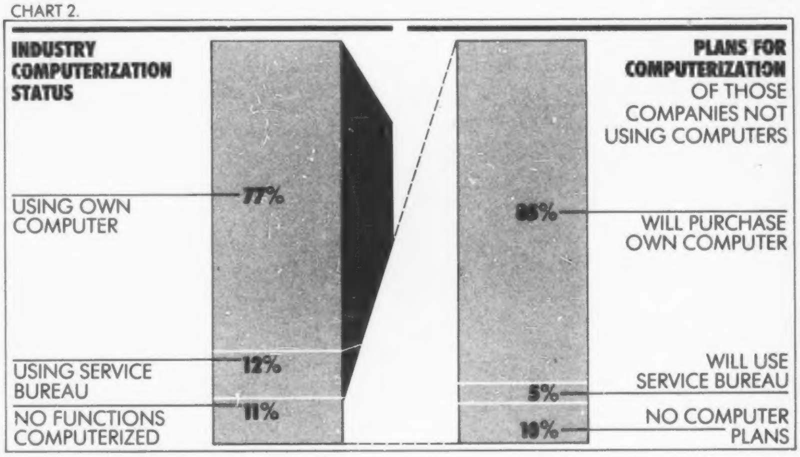
When looking at EDP expense by company size, the statistics are fairly uniform. The following is a breakdown for those companies spending 2% or less of net sales on EDP:

Under $5 million	86%
$5-10 million	94%
$10-25 million	82%
$25-50 million	92%
$50-100 million	92%
$100+ million	73%

The revealing statistic here is that the largest companies are spending significantly more on data processing. There is at least one good reason for this reports A. Boyden Henley, Jr., president and CEO of Henley Paper Company, Greensboro, NC. "The Communications expense for multi-branch operations is a significant cost factor. We will have six houses on stream which is costly, but the expense of the additional hardware and software necessary to run the communications program can not be overlooked."

1984 EDP expenses showed increases over the year before. (See Chart #4). 59% of the merchants surveyed expect that their year will finish out with as much as a 5% increase in EDP expense. 14% stated it would probably be 5-10% and surprisingly 26% expect no increase or a decrease. Also worth noting is that 27% of those surveyed reported that their 1984 EDP expenses will probably represent an increase of as much as 10 to 30% or even more. For many, 1984 was a year of software development, expansion of EDP departments, etc.

CHART 2.



When paper merchants were asked to *predict* their total 1985 EDP expenses compared with 1984, the results were much the same as 1984 over 1983. This shows a steady increase in computerization expense in the paper distribution industry.

New Efforts in Computerization

Paper merchants, whether presently computerized or not, *will* be purchasing new hardware for the next 18 months. 60% of those responding will be looking for new equipment. One merchant cautioned "If you are enhancing or upgrading your system, make sure you have good programming, documentation and do a lot of testing." New equipment does not automatically solve problems.

Merchants were asked to list their most important computer-related concerns for the next

CHART 3.

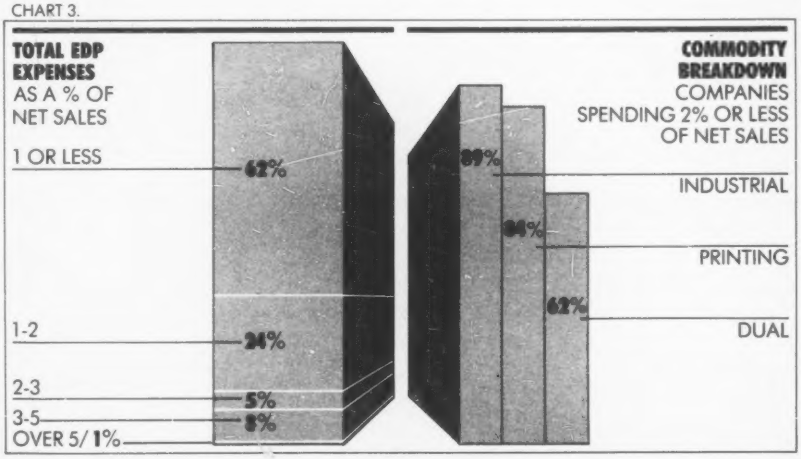


CHART 4.

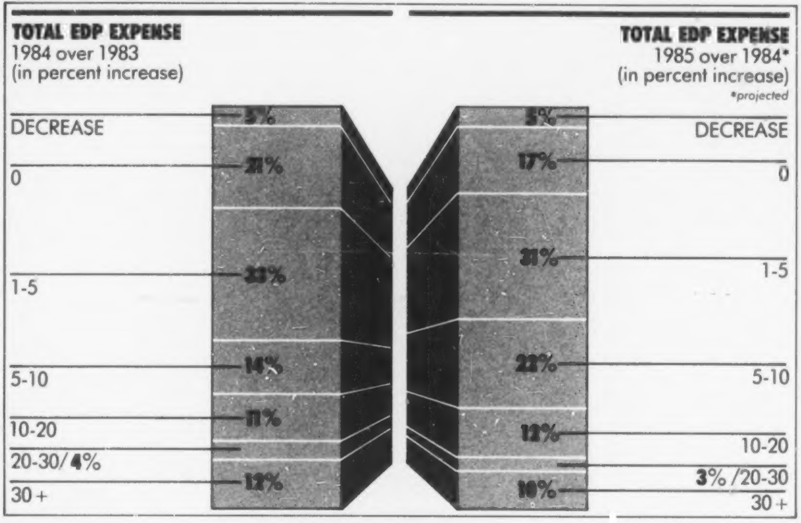


CHART 5.

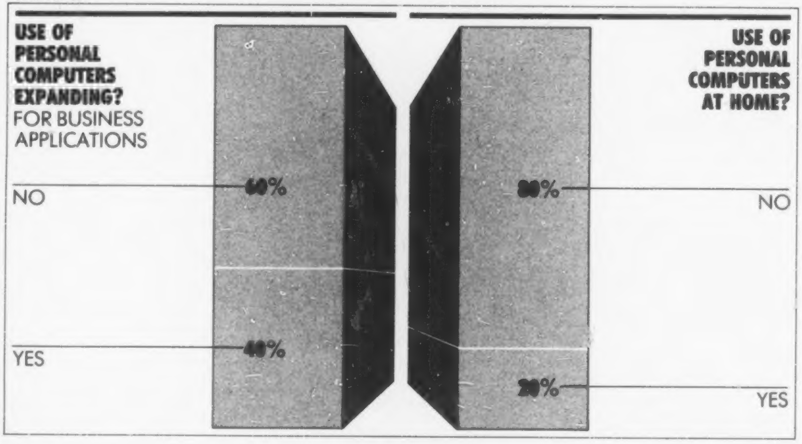
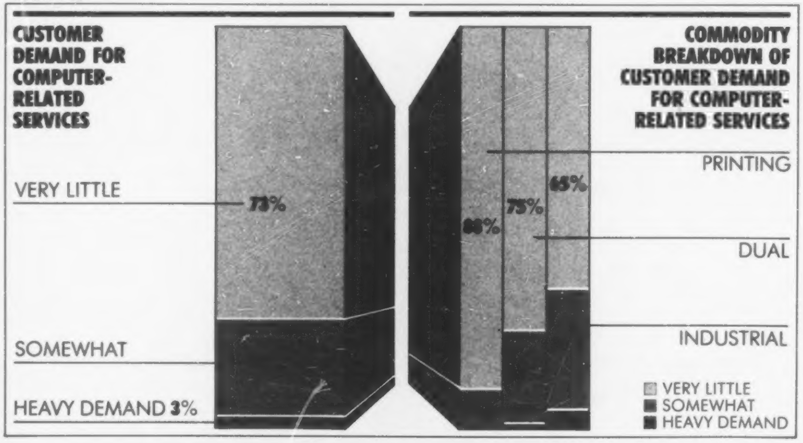


CHART 6.



18 months. For both printing and industrial paper firms, inventory, order entry and sales/marketing information topped the list. Dual merchants agreed that inventory management and order entry were important, but right near the top for them was hardware decisions. They included in that system upgrades, memory expansion and system design and refinements.

Industrial paper merchants were seen as a bit more inclined to purchase new hardware in the next 18 months. 64% reported that they would compared with only 54% of printing paper merchants and 58% of dual distributors.

The industry is not static. It is clear from the survey that many are seeking new ways to improve productivity. The computerization of merchant operations at the present may be the most dynamic part of the paper trade.

Personal Computers

When paper merchants were polled about their use of personal computers for business applications, surprisingly 60% reported that their use of PCs was *not* expanding. (See Chart #5). Of those using personal computers for business, about one-third said they were being used by senior management while only one in 10 were being used by salespeople.

Functionally, PCs are being used for forecasting and departmental budgeting. The use of personal computers at home for business purposes is not great. Only one out of five merchant houses that have PCs are using them at home.

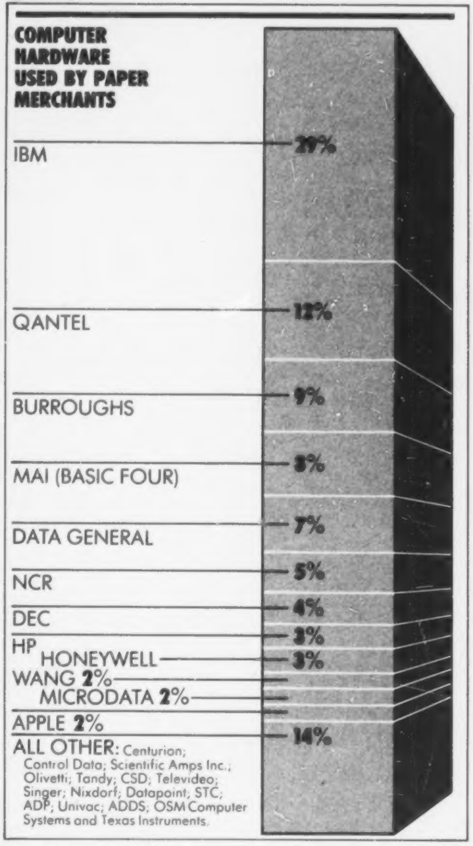
Customer Service

Paper merchants were asked if their customers were looking for more information from the merchants' computers. About three-fourths of all survey respondents reported that their customers were demanding very little additional information; 24% said somewhat more was being expected of them. (See Chart #6). Industrial merchants found demand a bit heavier for information than the other groups while printing paper merchants reported it to be lowest.

But some merchants are experimenting with electronic data interchange. Work is currently being done to link merchants with their suppliers; some merchants are trying a link-up with their best customers. Inter City Papers Limited in Canada has a number of terminals located at customers' shops. These purchasers can check Inter City's inventory and order paper at any time.

"It's still in the experimental stages," reports Jeff Chipman, president of Inter City. "A

CHART 7.



significant number of transactions must be run through this system before we can evaluate its impact on the inside order desk. The economics, at this point, are questionable. Instead of our company carrying the expense of placing the computer terminal with the customer, the answer may be an interface with the customer's own computer. We are looking at this whole enterprise in light of its value to the customer," Chipman said.

Hardware Data

When asked what hardware paper merchants are using, the clear choice was IBM. Qantel was second followed by Burrows, MAI (Basic Four) and Data General. (See Chart #7).

When hardware choice was reviewed by commodity type, IBM was still the number one company supplying computers to the paper distribution industry. A close second for industrial houses was Qantel, but Burroughs and Data General tied for second for printing paper firms. DEC, NCR and Burroughs all tied for second place for dual paper merchants.

A Computerization Resource

Arthur Andersen Company
1717 East 9th Street, Suite 1600
Cleveland, OH 44114
216-781-2140
Contact: Karl Newkirk

Computer Conference Exhibitor

Decision Support System "DSS" for the paper merchant—a microcomputer based prototype model.

CPI, Inc.
P.O. Box 188
Colts Neck, NJ 07722
201-462-8900
Contact: Philip Strum

Computer Conference Exhibitor
1984 Convention Exhibitor

The CPI Paper Management Information System is on-line, interactive and user-friendly with complete inquiry capability at all user levels. It is designed for all aspects of the paper industry. It was created by industry experts to handle all processing requirements as well as management reporting.

Computerworks, Inc.
2821 Northup Way
Bellevue, WA 98004
206-828-6786
Contact: John Evens

Advertise in *MN*
Computer Conference Exhibitor
1984 Convention Exhibitor

Computerworks has computerized solutions to the total accounting and information processing needs of the wholesale paper merchant. Fully tested and installed. Integrated and interactive using DEC VAX or 11/70 computer hardware. Multi-user, multi-warehouse, even multi-company. True inventory management, reduced stock-outs, increased turns, higher service levels, better inventory investment decisions.

Hewlett Packard
333 Logue Avenue
Mountain View, CA 94043
415-968-9200
Contact: Phil Johnson

Advertiser in *MN*
Computer Conference Exhibitor
1984 Convention Exhibitor

Hewlett Packard Company's SFD/3000 is a complete computerized solution for the paper distributor. It is a fully integrated, real-time system comprised of modules for sales order entry, accounts receivable, inventory management, purchase order entry, accounts payable and general ledger. The solution is user-customizable and utilizes HP's experience and highly successful HP 3000 computer line.

The Lockwood Association
P.O. Box 17326
San Antonio, TX 78217
512-874-1439
Contact: David Mayers

Advertiser in *MN*
Computer Conference Exhibitor
1984 Convention Exhibitor

The Lockwood Association, Inc. is an application software house specializing in an Automated Paper Distribution System. This APDS system is a fully integrated data processing system with inventory control and order processing to purchasing to accounts payable, payroll and general ledger. The APDS package runs on an NCR 9300 computer, an on-line interactive computer system which features the only true 32-bit VLSI processor chip in the industry today.

Scientific Computers, Inc.
10101 Bred Road E.
Minnetonka, MN 55343
612-933-4200
Contact: Al Pagalz

Advertiser in *MN*
Computer Conference Exhibitor
1984 Convention Exhibitor

Special paper merchant needs require special hardware and software. Scientific Computers, Inc. has a computerized Price Book Publishing System designed for the paper distribution industry. The computer managed data base is used to drive either typesetting units or laser printers.

Structured Computer Systems
17 Talcott Notch Road
Farmington, CT 06032
203-677-0222
Contact: Jerry O'Connel

Advertiser in *MN*
Computer Conference Exhibitor
1984 Convention Exhibitor

Wang Laboratories has entered the paper distribution market with its new Excalibur system for the large paper merchant operation. The software that drives the system was developed by Structured Computer Systems. The hardware used with Excalibur is Wang's VS/100 Supermini Computer.

Synergistic Group
11 Montebello Way
Los Gatos, CA 95030
408-395-2508
Contact: Roberta Mandell

Computer Conference Exhibitor

The MBS Presidential Business Planning Package has been developed by the Synergistic Group. The Package provides the means to do business planning and yields correct action-based reports on the computer.

Standard Paper Software Marketing Corp.
180 Lyman Street
Springfield, MA 01103
413-736-1000
Contact: Ed Mazer

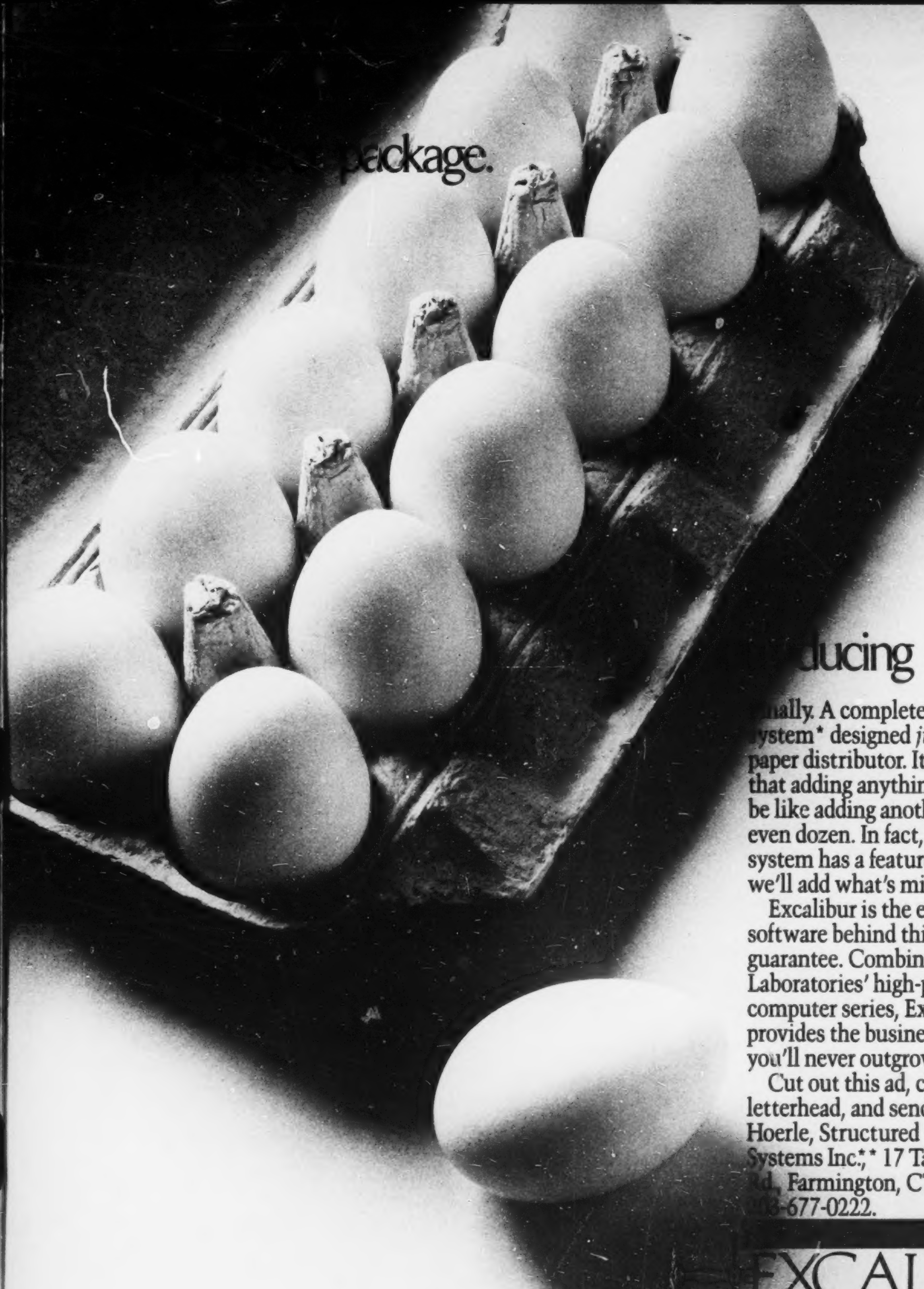
Advertiser in *MN*
1984 Convention Exhibitor

The SP/DP (Standard Paper Distribution Package) utilizes the Qantel computer system which is field upgradeable. The software was developed by paper merchants for paper merchants. The operating system and applications software are totally compatible with the full line of Qantel hardware.

Voice Computer Technologies Corp.
5730 Oakbrook Pkwy. (Suite 175)
Norcross, GA 30093
404-441-2303
Contact: Bill L. Hutchison

Computerization Conference Exhibitor
1984 Convention Exhibitor

The VCT SERIES 2000™—interfaced to your computer or equipped as a stand-alone device, accepts and voice-verifies orders placed by customers and sales reps via any Touch Tone phone, eliminating the need for expensive terminals and hand-helds. And because adding and deleting speech is so easy, this hardware/software complete system can convey current information to customers and field sales, such as promotional messages and management directives—24 hours a day, 7 days a week.



package.

ducing another.

nally. A complete software ystem* designed *just* for the large paper distributor. It's so perfect that adding anything more would be like adding another egg to an even dozen. In fact, if any similar system has a feature we don't, we'll add what's missing. Free.

Excalibur is the exceptional software behind this exceptional guarantee. Combined with Wang Laboratories' high-powered VS computer series, Excalibur provides the business solution you'll never outgrow.

Cut out this ad, clip it to your letterhead, and send it to Cathy Hoerle, Structured Computer Systems Inc.,** 17 Talcott Notch Rd., Farmington, CT 06032. 03-677-0222.

EXCALIBUR

WANG

**A Registered Wang Vendor.

*Fully Interactive. Multiple Order Types. On-Line Credit Check. Automatic Bracket Pricing. Pricing from History. Customer Contacts/Deals. Universal Units of Measure. Flexible Order Comments. Multi-Warehousing. Inter-Branch Transfers. Automatic Route Assignment. Integrated Financials.

PAR - GET INVOLVED IN 1985

PAR (Performance Analysis Report) has long been the cornerstone of the National Paper Trade Association's research and statistics program. According to Association records, the first annual PAR survey was conducted in 1936 (for calendar year 1935 operations) and has been jointly performed by NPTA and various auditors/ consultants every year since then.

Back on February 18, 1936 a presentation was given by R.M. Beckwith at the NPTA convention. The predecessor to today's *Paper Merchant Performance* in that year was titled: "Strictly Business." In that year, industry sales were estimated at $302 million, warehouse gross margins were 28.4% and the average warehouse order size was $14.25 for a fine paper merchant.

Mr. Beckwith apparently was less than satisfied with the response of the membership, evidenced by this quote...

"But imagine for a moment the annual report of the U.S. Steel Corp., for example, being given with only 29.7% of the reports of the divisions of that company in the hands of the auditor. That, I am sorry to say, is the percentage of the membership of the Association who have returned their reports in time for classification."

Thankfully, the membership has become more enthusiastic in their appreciation of PAR, and participation is much higher today. However, there is always room for improvement. We would like to have 100% participation!

On a more current note, from 1965-1976 Price Waterhouse processed the PAR questionnaires for NPTA. The present consulting firm, Management Foresight Inc. had been retained as the financial expert in 1977. Since then, the sales volume represented by PAR participants has nearly doubled from $3.76 billion.

As one can readily see, there has been a significant increase in the share of total sales represented by printing and industrial paper merchants in recent years, and much less from dual merchants.

Industry Financial Analysis — PAR - will celebrate 50th anniversary next year.

To give those members who have not participated in PAR as yet, and new members who missed the 1984 PAR season, a rundown of the activities that will take place, here is an overview:

1. PAR questionnaire (with confidential ID number) and related materials sent to NPTA members: *1st week of January*
2. Members complete questionnaires and send to Management Foresight Inc., Columbus, OH: *No later than April 1*
3. MFI runs database, calculates financial ratios: *mid-May*
4. First PAR reports sent to NPTA members by MFI: *1st week of June*
5. MFI sends "Industry Performance Surveys" (detailed PAR industry averages) to NPTA: *3rd week of June*
6. All remaining PAR reports sent to NPTA members by MFI: *late June*
7. Preliminary Performance Report appears in *Management News*: *early July*
8. NPTA updates *Paper Merchant Performance* and sends it free to all NPTA members: *mid-July*

	Total Sales Represented by PAR Survey Participants	Percent of Sales by Merchant Type		
		Printing	Industrial	Dual
1977	$3.76 billion	26.2%	11.5%	62.3%
1978	4.76	30.8	11.1	58.1
1979	5.92	33.8	12.3	53.9
1980	6.05	44.1	12.1	43.8
1981	5.73	43.2	13.2	43.6
1982	6.20	50.2	18.5	31.3
1983	6.87	51.1	19.2	29.7

Between the first week of January when the questionnaires are mailed and the filing deadline of April 1, the NPTA director of research is available to answer any questions concerning completion of the survey form, cost and types of reports, and all other details. Members may also call MFI directly. The director of research will be communicating closely with participants to make sure they received the initial mailing, and to expedite their orders and deal with any special circumstances.

Members' efforts to fill out and send in the PAR questionnaires are rewarded with many available products and services. All members who participate receive the following FREE OF CHARGE:

- Standard (1-year) customized PAR Report for a firm's operation. This includes one corporate consolidated report and one free branch or division report for each NPTA region in which the company operates. $150 value per report.
- PAR Users Manual
- "How to Use PAR" audio cassette (new for 1984)
- One copy of *Paper Merchant Performance* to each company headquarters and branch manager. $125 value.
- Ongoing access to detailed PAR statistics (industry averages by company sales volume, region, profitability group, etc.) from the director of research.

To supplement PAR, MFI works with NPTA to create and sponsor various seminars on financial management (such as "Profit Improvement Day"). Private consultations by Dr. Peter Mullins or Dr. Ron Foster can also be arranged for one-on-one sessions.

Here is what the Research & Statistics Department will be doing this year to improve the program:

- Streamline the PAR questionnaire and report wherever needed.

(continued on p. 24)

STANDARD PAPER

SP/DP™ DISTRIBUTOR PACKAGE

ROBERT PENNA
GENERAL MANAGER
OF ARROW PAPER
SOMERVILLE, MA

ARCHY PENNA
OWNER
OF ARROW PAPER
SOMERVILLE, MA

CAN TWO GENERATIONS AGREE ON A COMPUTER?

I CARE HOW IT WORKS. It allows me to watch the pricing on ten salesmen. By monitoring price changes and pinpointing shaky pricing levels before invoicing, we have increased our GTM by several percentage points. We get our bills out faster, and close the month on time. Inventory forecasting helps me buy better, turn the inventory faster, and keep slow-moving items to a minimum. All without any in-house programmers or specially trained people.

I DON'T MUCH CARE HOW IT WORKS. I care about what it does. It has given us the tool we never had to control accounts receivable and contain inventory. Three months after we got the Qantel with the Standard Paper package we were out of the bank (for the first time ever), and since then have improved our cash flow by hundreds of thousands of dollars. Any owner can appreciate what that means, especially these days.

THE BOTTOM LINE?

As Robert puts it, "We paid for our Qantel system in less than 12 months with improved profits and efficiencies." With results like that it's easy to see how QANTEL is helping to bridge the generation gap.

STANDARD

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PERSONAL COMPUTING

PCs: WINDS OF CHANGE

Micro computers in the paper distributor's office— has the time arrived to buy one for **your** *business?*

Part I

You can't read the *Wall Street Journal* without a double page ad for a desktop computer jumping out at you. Open an airline magazine on any flight and you'll see at least one article on personal computing. Even *Time* magazine declared the "Man-of-the-Year" in 1982 to be the microcomputer.

Like a tornado, the winds of micro-computing—sometimes called desktop or personal business computing—came upon us with little warning in the early 1980s. What hit us was an information processing capability that was small in both size and price but big in potential impact on management decision-making.

The microcomputer tornado lifted computing out of the air-conditioned, cable-laden computer rooms in the basement into our own air-conditioned offices on the management floor. We now read about "end user" computing as opposed to "dp" computing—about "spreadsheet" or "database management systems" as opposed to "receivables systems" or "inventory systems" or "payroll systems"—and about "management support systems" as opposed to "transaction processing systems." The winds of computer are changing—they're blowing in a new direction—toward improving decision making and management productivity. They're blowing in your direction.

If you're a middle or top manager or staff analyst in even a small paper house, the new winds of microcomputing are blowing hard and fast in your direction. In fact, the winds are so strong that you may see them as a threat rather than an opportunity and so fast that you may feel it's too late or that you've been passed by.

Even if you're eager to try a microcomputer, a whole series of questions arise in addition to the one raised in the sub-title of this article: "What machine should I buy?", "What software do I need?", or even more fundamentally, "What can I do with it?".

The microcomputer storm has left many managers confused, especially in small and mid-sized companies where staffs are small and managers don't have time to research the answers to these questions.

If you're one of those managers who feels you're in the midst of a storm of confusion, this article should answer some of your questions. It will address in detail what I consider to be the *fundamental question* for any manager in the paper distribution business: "What applications are there for microcomputers in my company or area of management responsibility?"

The other questions of "what machine" and "what software" will have to be left for another time or place but, as I will point our later, even the answer to these two questions is determined by the applications you identify in your business.

Why A Microcomputer?

A microcomputer offers managers the capability of *making better informed* decisions and, as you will see with "what if" strategic planning applications, *improving business judgement*. This capability is available at low hardware and software prices although the cost in learning time can be high, at least initially.

It goes without saying that better information and a better understanding of the critical success factors in the paper distribution business can give your company a competitive advantage. It can't be said yet that microcomputers are *essential* to managing a paper distribution business but managers who understand and use these tools can acquire a competitive advantage by making better informed decisions. Moreover, managers who are able to use microcomputers to assist in making day-to-day decisions will be on the inside track, if and when as predicted, microcomputers take-on the role as "intelligent expert advisors."

Small and medium sized businesses—typical of the paper distribution industry—have the traditional advantage of close customer knowledge, emphasis on service, in-depth product knowledge, and other marks of personal involvement with both customers and products. The microcomputer provides an information and decision-making tool to continue that tradition and it does so at price and time-cost that is within the reach of even a small paper house. This is not the early days of mainframe computing that were accessible only to large companies because of high dollar costs and expert knowledge required; we're talking about a $4000 to $6000 outlay and a reasonable "investment" in learning time by an "end user"—in this case a manager or staff person.

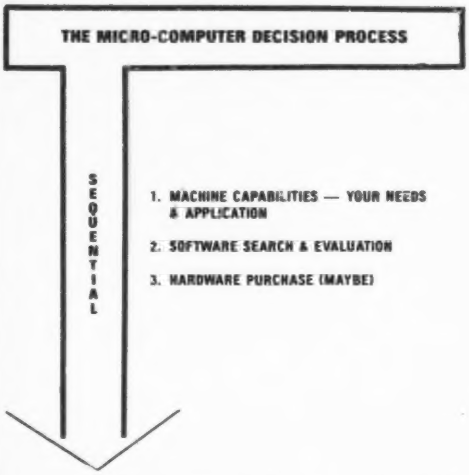
The answer to the question raised in the sub-title of this article—"Has the time arrived to buy a microcomputer for your business?"—may not be "yes" for you, but the time has definitely arrived to investigate and educate yourself on the possibility of incorporating one into your decision-making tasks.

What To Do First

Figure 1 shows you the steps and, more importantly, the *sequence* of steps to follow in making the decision to buy a microcomputer.

By Dr. Roger K. Harvey,
Value, Inc.

FIGURE 1


THE MICRO-COMPUTER DECISION PROCESS
SEQUENTIAL
1. MACHINE CAPABILITIES — YOUR NEEDS & APPLICATION
2. SOFTWARE SEARCH & EVALUATION
3. HARDWARE PURCHASE (MAYBE)

The first step involves defining a problem and need of an informational or decision-making nature: a problem that takes up a significant chunk of your time, a problem that drives costs in your business, a problem that inhibits your profitability—in short, a problem that when solved will justify the time and effort you or your staff invested in learning and implementing a microcomputer solution.

The sequence of the process in Figure 1 is so important that I've developed what I call the First Law of Personal Business Computing and related Corollaries to accompany it:

LAW #1

When making the personal computer decision, take one step at a time and always start with Step #1 (Figure 1)—identify a problem or a need looking for a $4000 or $6000 solution.

COROLLARY #1

If you go through the personal computer decision backwards, you'll end up with an expensive solution looking for a problem.

COROLLARY #2

Software drives hardware. An application drives them both. Without at least one "sure winner—bread & butter" application, there's nothing to drive the software and hardware decision.

COROLLARY #3

Forget you're looking for a personal computer and look at your business, your problems, and your management style.

One of the assumptions of Step 1 is that you have some understanding of the capabilities of a microcomputer. It is difficult to identify a problem, need, or application if you don't have at least a fundamental understanding of the capabilities of the tool you're evaluating.

The type of microcomputer knowledge you need *isn't* at the bits and bytes level but rather at the general capabilities level. Your knowledge doesn't even have to be specific to computing in the paper distribution business. The microcomputer knowledge you need is "what" the machine is capable of doing with data and text—not "how" it does it.

You can gain the background you need to identify applications in your business through an evening or weekend adult education course at your local college or high school. If no such courses are available through the school systems, most of the retail computer stores offer low-cost introductory computer courses.

A prerequisite for any course is hands-on learning; the general capabilities of a microcomputer can only be recognized and applied to your business by doing basic computing—not by hearing and not by reading about it. No matter where you take an introductory computer course, be certain that it includes "hands-on" experience.

Recognizing that the first and most important step in the microcomputer decision process is identification of "sure winner" applications, the remainder of this article will develop a framework for understanding microcomputer-decision support applications in your business. Choosing the right applications, especially your first application, is so important to the successful use of end-user microcomputing that I've developed a Second Law of Personal Computing to cover applications selection:

LAW #2

Personal business computing is NOT like investing in stock and bonds—higher risk doesn't mean higher returns—go for low risk, high return applications—at least initially.

COROLLARY #1

HIGH RETURN applications should have (1) a high ratio of thinking to typing, (2) relatively small amounts of data, and (3) an opportunity to make non-routine judgments while you use the computer.

COROLLARY #2

HIGH RETURN management support applications are frequently based on non-accounting data: Marketing Data (e.g. customer profiles, telemarketing reports, salesperson call data); Operations Exception Data (e.g. stockouts, backorders, partials, best order size, delivery times); Financial Data (e.g. forecasts of financial data).

COROLLARY #3

HIGH RETURN applications often relate to unstructured decisions—non-routine, problem searching, and data analysis that follow individual management styles rather than prescribed dp formats.

COROLLARY #4

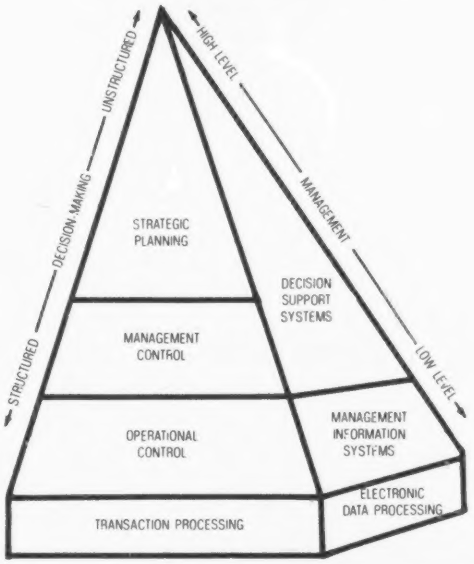
Today, HIGH RISK applications include those that require direct linking of your company's mini or mainframe computer to your personal computer for data downloading. Linking your personal computer requires special hardware and software at both ends of the link and support from your dp person or outside systems house.

Application Framework

Figure 2 shows the types of decisions required of managers in a typical paper distribution business; microcomputer applications fall within the segments of the Decision Support System Pyramid. We will explore each segment of the pyramid for applications in a paper distribution business by starting at the base and working our way to the top.

FIGURE 2

THE DECISION SUPPORT SYSTEM
AS A PYRAMID



Data Processing Applications

The base of the pyramid and the base a distributor's information system is built on transactions—invoice lines, vendors invoices, commission payments, inventory withdrawals or additions, payroll checks, etc. As indicated on the right-side of the pyramid, transactions processing is part of the traditional Electronic Data Processing (EDP) function.

This EDP function is performed on a mini or mainframe computer by most medium and large size paper merchants. For small paper merchants who perform these traditional accounting functions manually, the microcomputer offers a low-cost alternative. This alternative will not be discussed here because transaction processing isn't a management function—it's a data processing function. Our concern here is using the microcomputer to directly support decision-making.

One warning to smaller paper merchants considering a microcomputer to replace their manual system: the computer power and memory exists for most small accounting systems—the software can usually be adapted to your system or vice versa—but be sure to ask "where's the support." Hardware and software prices for microcomputer accounting applications are often kept low by offering little or no support.

Operational Control Applications

Built on top of the transaction processing system is a paper distributor's "Operational Control" system. The Operational Control system is composed of structured, almost automatic, decisions and procedures that keep a company's day-to-day operations under control. In the paper distribution business such structured decisions include inventory reorder points and quantities, credit limits and automatic reminder letters, assigning delivery days and routes, and creditor payment schedules—to mention only a few of the many such decisions that are automatically made every day.

Again, as can be seen on the right side of the pyramid in Figure 2, many of these decisions are supported by the paper merchant's Management Information System (MIS). For example, inventory status reports are routinely generated as part of an MIS to support order point and order size decisions by purchasing people. These decisions are automatically done by the computer in other paper houses but it's still part of their MIS.

MIS functions are typically carried-out on the paper merchant's mini or mainframe computer although the so-called "management information" often comes in stacks of computer paper rather than as "exception reports." Nevertheless, this is where potential microcomputer applications begin to appear for paper houses, even for those that already have mini or mainframe computers. Many of these applications are not available through their existing equipment.

These applications are known as "vertical market" applications. Vertical market applications are those that require computer software that is specific to the operation of a particular business. Examples of vertical application software include information systems for lawyers, accounting systems for doctors or dentists, or financial analysis systems for real estate investment companies.

The market is limited and specific so the software usually runs only on microcomputers, is custom tailored to a specific industry or user group, and is written by an industry consultant or practitioner.

Vertical applications in the paper distribution could include software that helps optimize warehouse layout, generate bids and materials requirements for customer jobs, route and schedule delivery trucks, or perform computer-to-computer order entry to vendors over long-line data communication systems. Such applications generally involve operational decisions specific to your business and will relieve you of long and repetitive calculations or provide you with quantitative information for operational decisions that are traditionally qualitative or "seat-of-the-pants."

Vertical software for microcomputers is usually last to come on the market relative to accounting software or the management control and planning software that we'll discuss below. The reason is the limited market size and customized nature of the software. As software packages are developed for the paper distribution industry or distribution in general, they will be advertised first in the trade publications for paper distribution such as *Management News*. Usually, their appearance in the marketplace is followed by an evaluation in the trade press.

Editor's Note: Part II of this article will appear in the January, 1985 issue of *Management News*. It will review management control applications and strategic planning applications suitable for microcomputers.

Dr. Roger K. Harvey is Associate Professor of Finance, The Ohio State University, and is also president of his own consulting firm, Value, Inc. Dr. Harvey engages in financial planning consulting and the valuation closely-held corporations.

EDI TAKES A NEW TURN

Picture this: as a company's stock of copy paper, film, or disposable cups dwindle, a computer generates an order at a pre-determined re-order point. Instead of printing out the order form, however, the computer sends an electronic order message to a computer at the supplier's headquarters. The order is acknowledged electronically and shipped.

When the shipment is unloaded on the merchant's dock, a warehouse worker runs a wand over a symbol printed on the carton. The symbol tells his computer how many products are in the carton and the inventory record in the merchant's computer is updated. When the material is shipped to the merchant's customer, the procedure repeats. That is Electronic Data Interchange (EDI).

Sound impossible? It isn't! Such procedures are repeated thousands of times every day for business transactions in several different commodity lines. It has also begun to happen in the paper distribution business, and this trend will certainly increase.

The automotive, industrial, hardware and drug industries, in addition to electrical, food/grocery, and office products/stationery industries have all developed systems for electronic interchange of order and shipment information between suppliers, customers and wholesalers. All of the industries with these systems in place are reporting increased productivity.

In the paper distribution industry, a few suppliers like Boise Cascade, Crown Zellerbach, Hammermill and S.D. Warren have launched experimental programs to hook them up with their merchant customers. Several other suppliers are about to launch similar pilot programs and many others are beginning to study these possibilities with interest.

As many industries begin to implement these new procedures, there will be a greater need for knowledge about their work. Systems must be as compatible as possible among different industries and among the various sectors of the same industry. There are several groups beginning to work on coordinating and communicating between interested parties: The American Paper Institute (API), the Graphic Communications Association (GCA), the National Paper Trade Association (NPTA), Printing Industries of America (PIA), and others are all working within the paper industry to develop a broad-based set of voluntary guidelines for electronic data interchange among suppliers, merchants and customers.

In March 1984, a joint supplier/merchant task force was created. The members of this group are:

Merchants

Alling & Cory, Rochester, NY.
  Gordon Snyder
Blake, Moffitt & Towne, Brisbane, CA.
  Charles Workman
Butler Paper Co., Englewood, Co.
  Dave Wessling
Cincinnati Cordage, Cincinnati, OH.
  Paul Ruffing
Leslie Paper Co., Minneapolis, MN.
  Howard Hanson
Mead Merchants, Dayton, OH.
  Eugene Hannahs
Unisource Corp., Valley Forge, PA.
  Richard G. Burton

Mills

American Paper Inst., New York, NY.
  James Hutchison
Boise Cascade Co., Portland, OR.
  Graham Covington
Champion International, Hamilton, OH.
  John Grover, Stephen Mowry
Crown Zellerbach Corp., New York, NY.
  Bruce Crouser, Stu Hoar
Dixie Marathon, Norwalk, CT.
  Douglas Van Esselstyn
Georgia-Pacific, Darien, CT.
  Fred Vermillion, Robert Moeller
Hammermill Papers, Erie, PA.
  William Sellers
Mead Corp., Dayton, OH.
  John Suchiu
3M Company, St. Paul, MN.
  Dennis Kaetterhenry
Nekoosa Papers, Port Edwards, WI.
  Robert Hunn
Scott Paper, Philadelphia, PA.
  Steve Finnerty
Stone Container Co., Chicago, IL.
  John Lenzini
Westvaco, New York, NY.
  Baba Vichare

DIMENSIONS IN TRAINING

THE TRAINER'S LAMENT

A trainer conducts a dynamite course and sends trainees back to their jobs brimming with new ideas and skills. Think the trainer's job is over? It's just begun. If these techniques are added to the training repertoire, training entropy can be prevented.

One of the trainer's most vexing problems is getting trainees to transfer what they learn in a training session back to the job. Most trainers are confident in their ability to teach skills, but few can *guarantee* that these skills will be used when trainees leave the protected classroom environment and go back on the job.

But perhaps the strongest factor that works against change is simply that new learning takes time to integrate into existing behavior repertoires. Few employees are willing to make this extra effort unless there are some pretty obvious payoffs. Trainers are rarely in a position to offer tangible incentives for using new skills on the job.

However, the situation is not hopeless. Even without control over incentives, trainers can make application of skills on the job easier, provide motivational mechanisms and develop support systems for employees. The responsibility of trainers does not end when trainees leave the classroom; that's actually only where it begins!

Whether one is a full-time trainer or sales manager responsible for the training function, the following techniques are worth a try:

1. *Personal action planning* is one of the most widely used methods to increase the likelihood of on the job follow-through. During the course, individual trainees complete an "action plan" that identifies the steps they plan to take to apply the new skills when they return to the job.

As a result, trainees make a commitment to action, especially if they publicize their commitment by sharing their plans with others. Ask participants to complete part of their action plans after each segment of the course; then, at the end of the course, ask trainees to review and prioritize their action plan steps.

2. *Group action planning* follows the same format as personal action planning. Try to form groups of trainees who will either be working together or will have access to each other on the job. This technique develops the same kind of commitment as personal action planning, but also provides a support system for trainees when they return to the job.

3. *The buddy system* pairs program participants so that they can learn together and support one another back on the job. Since lack of support on the job is a major problem, train at least two people from each department at the same time. That way some close interaction will exist after the training program ends.

When the "buddy system" is used along with small-group activities (involving people from other departments), one gets the best of both worlds; trainees develop support systems and interact with people from other job categories.

4. *Performance aids* provide a meaningful transition from fully guided learning to independent skill application. Performance aids can include checklists, decision tables, charts and diagrams. These give trainees a better chance to use new skills since they provide the minimum guidance that is usually necessary in the early stages of on-the-job application.

5. *Recognition systems* reinforce the value of new skill applications. Although few trainers have much control over major incentives, they can design meaningful recognition systems. Trainers can give certificates, letters of merit, "performance points" and publish newsletters, to mention a few ideas. Recognition is a powerful incentive in a work environment that offers few other perks.

6. *Training trainees as trainers* takes the pressure off the training department, provides training in the performance environment; and motivates trainees to learn more since they will be asked to teach others. This approach in training is a particularly effective way to expand limited training resources, as well as increase the likelihood of application on the job.

7. *Ample resource access* is an important follow-up to training that makes the application of skills easier. Trainers must never assume that initial training will be enough. Follow-up resources can include a hot-line phone number for asking questions, audiocassettes that will serve as a refresher, summary sheets, trainer visits to the work place and other methods. Resource provisions in the work environment will enhance skill application and demonstrate a continuing commitment to trainee's welfare.

8. *Follow-up questionnaires* should be sent to participants after they have had a week or two to try out new skills. Evaluation questionnaires completed immediately after a course ends are almost always biased by gratitude, relief (that the course is over) and forgetfulness (about all the worst aspects of the course).

After all, it is only in application that any training course can be meaningfully evaluated. Additional information and "prodding" can be added to the questionnaire to increase the probability of application. It also shows trainees that the trainers cares and is still thinking of them. Follow-up materials should be sent to trainees on a regular basis (perhaps weekly) for the first month or two after a course.

9. *Follow-up contacts* such as telephone calls ("How are things going. . .?") or even personal visits serve the same purpose as a questionnaire, but do so more personally.

10. *Follow-up sessions* give participants an opportunity to come together again to share ideas and solve problems. These sessions invariably produce a positive response.

These methods will greatly enhance a trainer's effectiveness. It will certainly increase the likelihood that trainees will use their new skills. Program follow-up should not be viewed as an "optional extra." It is an essential part of any effective training course. A trainer must have an arsenal of techniques to avoid "training entropy" in the performance environment. The methods discussed in this article should provide just such an arsenal.

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IS YOUR COMPUTER GENERATING MORE DATA OR MORE PAPER?

True, you work in the paper business but managing the "paper monster" that slithers out of your computer each day is a big task. The Research Institute of America has some tips to help you tame the monster and still get the data you need: Don't let bureaucracy encourage paper accumulation—don't circulate every little thing, don't ask for a full report when a partial printout will do; Review report rationale—how many reports are just nice to have around, but not used?; Review the patterns of data circulation - printing out reports may not be the answer, data can be scanned on a CRT; Don't increase reporting frequency if it's really not needed; File one report—not everything has to go in the file cabinet; Classify info before it's stored—much of what you generate can be saved on disk; Centralize your data storage—don't duplicate what another department is already doing.

NEED HELP WITH GRAMMAR?

Everyone does from time to time. There are always thorny questions such as do I use "who or whom"? or how do I reel in a dangling participle? Well, cheer up. Managers have a service to turn to for quick assistance and the price is right - free.

There are 20 "grammar hotlines" listed in the 1984 Grammar Hotline Directory. It is available free from the Writing Center/Grammar Hotline, Tidewater Community College, 1700 College Crescent, Virginia Beach, VA 23464. Enclose a stamped, self-addressed envelope. Also, remember that there is no service during college breaks.

ARE MANAGERS WASTING THEIR TIME?

Sure, isn't everyone? A recent survey of 900 managers showed that only 2% said that all of the functions they performed were useful. 40% said that between 11% and 30% of their time was wasted on non-productive activities. Most frequently identified as worthless, in the **Psychology Today** *article that reported the survey results, were repetitive activities such as routine correspondence and making minor decisions.*

Of course, those functions must be performed if the company is to continue to function. The question is more specifically who should do them. Experts agree that if jobs can be delegated to a lower level employee, that should be done. Harold Taylor, in **The Time Management Report,** *states "don't spend high-cost time on low-value activities."*

1985 PAR PROGRAM

(continued from p. 16)

- Consideration of dividing Region #4 into smaller geographic areas more meaningful to participants in those states. Also the creation of a new Pacific Northwest region may be possible.
- Shorten the turn-around time to process PAR qeustionnaires and mail PAR reports to participants.
- Increase communications between NPTA and participating merchants, by phone and mail.
- Increase response rates in Regions #1 and #7 so that more detailed statistics in these areas can be generated.
- Run an incentive program for on-time filers meeting the April 1 deadline.

Apparently, many members are sticking with the program. Of all PAR reports ordered this year, 46% were 2 and 3 year "Trend PARs" that measure financial performance over time. Also, the Executive Summary (just introduced this year) was very well received and used by 62% of the participating firms.

Get involved in PAR and take full advantage of the benefits of membership. The Research & Statistics Department exists to help analyze member operations and make them more profitable.

NPTA TO INTRODUCE NEW QUARTERLY REPORT

Based upon very positive member response, NPTA has targeted the first quarter of 1985 for introduction of a new Quarterly Business Conditions Report. The report will contain ten financial measures related to sales, operating expenses, gross margins, inventory turnover, receivables, payables and average order size—by type merchant and regional and national averages. Data will be submitted by members on confidential reporting forms different from the "pink" form currently used for the monthly sales report. The report will be generated in-house at NPTA, as the Association computerizes its operations. Interested members should contact the director of research. Look for more details in the January issue of *MN*.

CHAIRMAN'S CORNER

COMPUTERIZING YOUR OPERATION

It's been more than 20 years since the first paper merchants took the plunge into computerization. It was an adventurous plunge back then requiring a great deal of faith and a great deal of nerve. We've come a long way since and further refinements develop continuously. If you've ever experienced a power failure and had the computer go down, you know first hand what an essential part of your operation the computer has become. Inventory control, sales analysis, accounts payable, accounts receivable, general ledger entries, ticket processing, everything we do is tied to our computer.

Twenty years ago, the cost of the hardware was the largest part of the expense in becoming computerized. That has stabilized over the years, and relatively speaking, has come down. The largest cost today is buying and developing software. I think we all have come to realize that hardware is available to do all the things we want it to do. The trick is to get the software that works for you the way you want it to work. Most merchants are constantly monitoring, modifying, and updating their systems. I know we are. We feel we have to if we are to keep up, be competitive, and succeed.

It has been said that we will "compete by computer." To a great extent, we're already doing that, and there's no turning back. Reading this issue of *Management News* certainly confirms this.

Frank J. Viegas

Frank J. Viegas, NPTA Chairman

EVENTS

DECEMBER

10-11. *Sales Development Conference, Colony Square Hotel, Atlanta, GA. Contact NPTA.*

25. Merry Christmas *from the staff at NPTA Headquarters, Great Neck, NY.*

JANUARY

18. *Productive Opportunities For Paper Merchants, Los Angeles, Marriott Hotel, Los Angeles, CA. Contact NPTA.*

25-27. *Tenth annual Graphics of the Americas Show, Miami Beach, FL. Contact Printing Industry of South Florida, Inc., 305-757-3334.*

28-31. *EXFOR '85, Pulp and Paper Equipment Show, Canada. Contact Canadian Pulp and Paper Association, 514-866-6621.*

ACTIVITY

OCTOBER, 1984

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day October 1984 - Compared To - October 1983	Sales Per Selling Day October 1984 - Compared To - September 1984‡	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of October		Calendar Days' Cost* of Ending September Inventory	
				1983	1984	1983	1984
INDUSTRIAL							
1	+ 3.5	- 0.8	- 8.9	43	43	--	--
2	+10.9	- 1.5	+14.3	35	36	47	50
3	+ 7.3	- 3.0	+16.2	35	36	61	59
4	+ 6.9	-12.1	+12.7	34	38	51	58
5	+ 7.1	- 6.7	+ 6.7	35	35	57	54
6	+ 5.3	- 4.3	+12.5	40	40	--	--
7	+ 6.1	- 3.7	- 3.8	36	41	--	50
NY Metro	+12.0	+ 3.1	- 2.9	43	47	--	--
Chicago Metro	- 0.6	- 7.1	- 2.3	42	35	44	--
LA Metro	+ 6.4	+ 5.6	+ 9.8	49	49	--	54
US	**+ 6.9**	**- 3.9**	**+ 7.3**	**38**	**39**	**53**	**54**
PRINTING							
1	+21.9	- 2.2	+33.3	51	51	--	--
2	+23.5	- 3.1	+24.2	46	45	54	60
3	+12.6	- 7.0	+25.7	44	43	73	72
4	+10.3	- 3.8	+17.8	44	39	65	65
5	+15.8	- 4.5	+21.7	43	44	--	73
6	+ 8.2	- 7.7	+10.0	38	41	--	--
7	+19.5	- 2.6	+16.7	41	42	72	66
NY Metro	+14.7	- 0.4	+33.3	43	41	--	--
Chicago Metro	+ 5.2	-14.7	+30.0	44	42	--	--
LA Metro	+18.3	- 0.4	+17.2	39	46	68	78
US	**+15.1**	**- 4.1**	**+22.7**	**43**	**44**	**67**	**69**

*To calculate monthly inventory turnover divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

‡ **Note:** *Due to Labor Day, Jewish holidays, etc. in Sept. the average number of selling days reported was 18, versus 22 for Oct. Therefore, Oct. vs. Sept. percent changes were mostly negative since 20% more days were needed to generate Oct. sales volumes.*

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

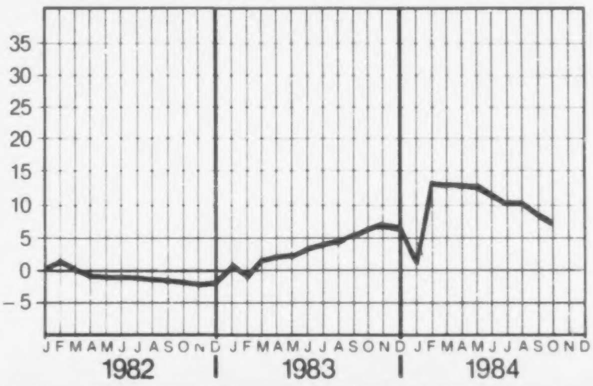
The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

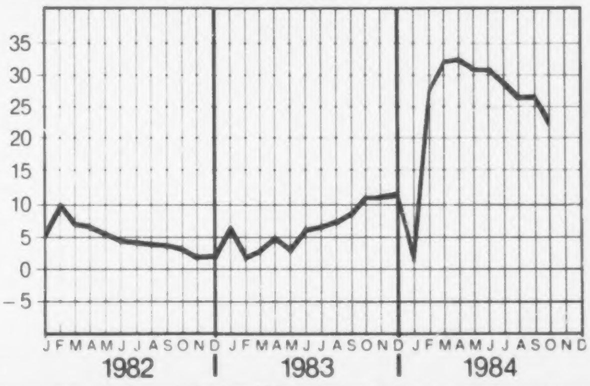
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1982 TO PRESENT

SALES INFORMATION

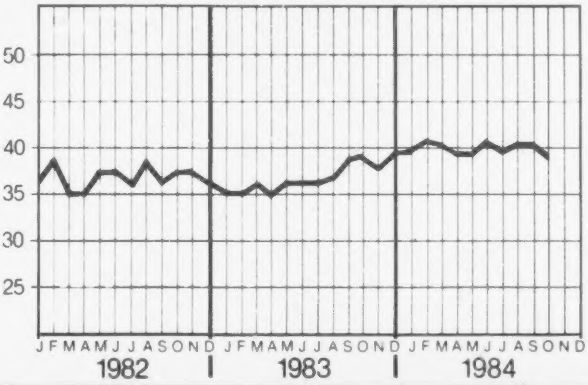
YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

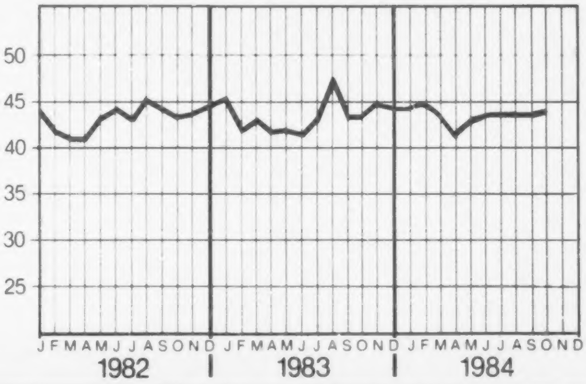

INDUSTRIAL PAPER SALES NATIONALLY


PRINTING PAPER SALES NATIONALLY

RECEIVABLES INFORMATION

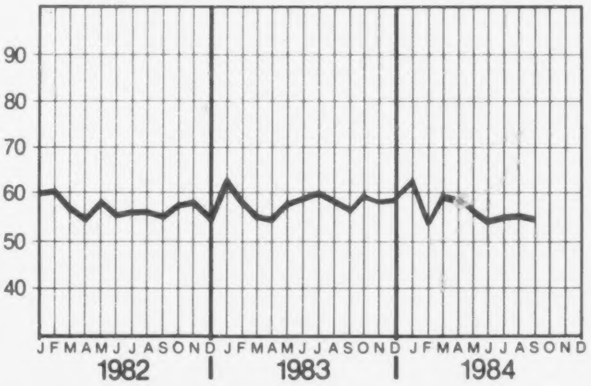
DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

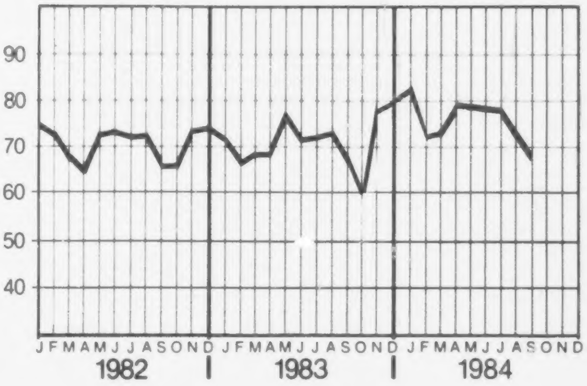

INDUSTRIAL PAPER RECEIVABLES NATIONALLY


PRINTING PAPER RECEIVABLES NATIONALLY

INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)


INDUSTRIAL PAPER INVENTORY NATIONALLY


PRINTING PAPER INVENTORY NATIONALLY

More Paper Distributors Are Selecting Lockwood's APDsystem

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Lockwood's service department is on call 24 hours each day to help you with problems, and can dial into your system for on the spot support if necessary.

Maintenance
Lockwood provides on-site maintenance to handle any problems, provide enhancements or upgrade your system.

Installation
Lockwood employs a top-flight team of installation specialists who will get your system up and running fast.

Education
Lockwood maintains ongoing training seminars to teach your employees to use the software, and the hardware.

Lockwood SM

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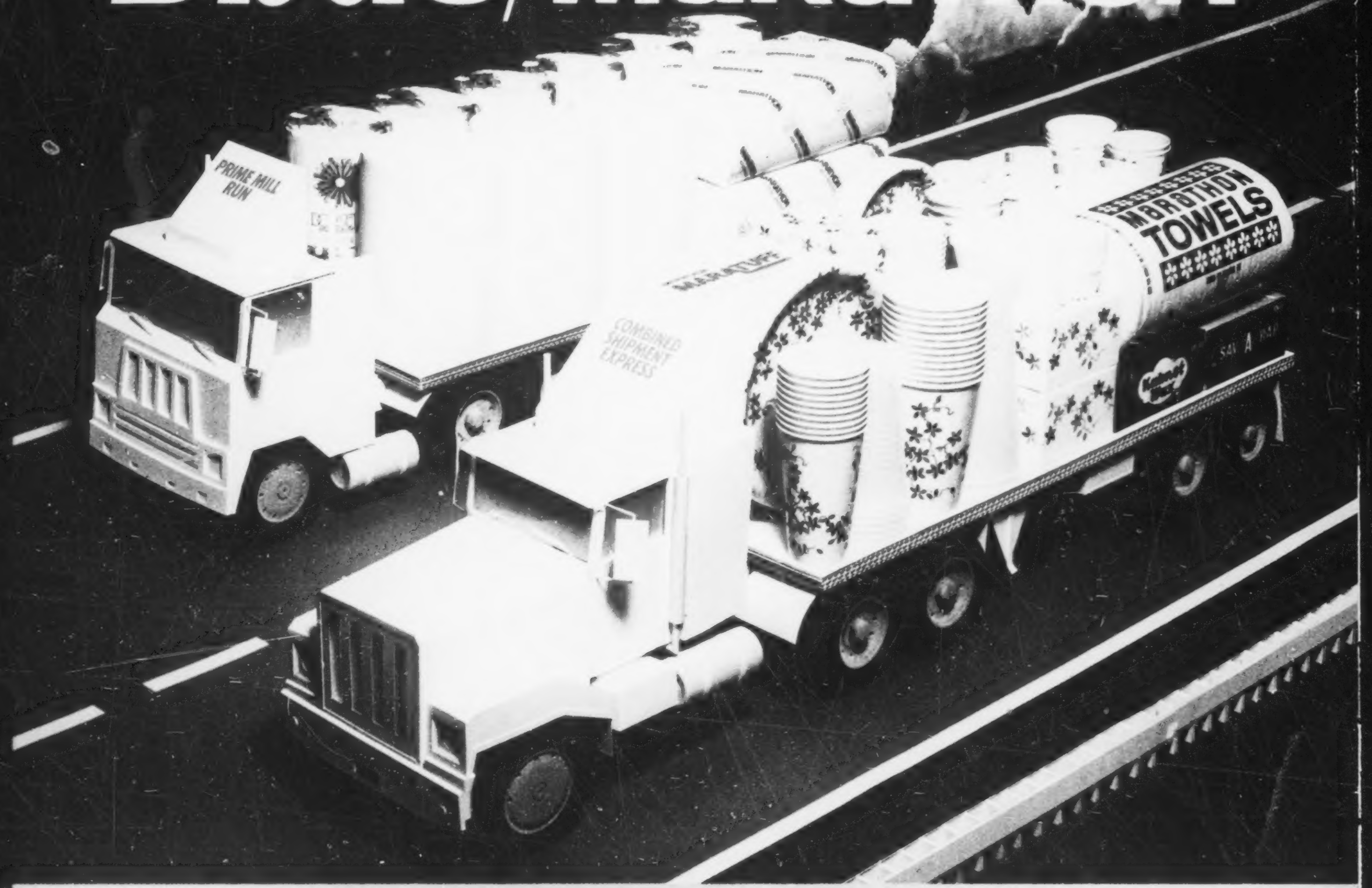

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A8140-3A

NPTA MANAGEMENT NEWS JANUARY 1985

MN

Paper Distribution Goes to College

Mr. John P. Kennedy
SRI Acquisitions Editor
Congressional Information, Inc.
4520 East-West Highway
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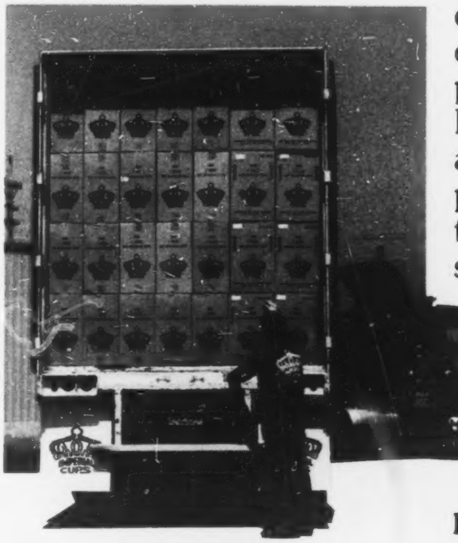
*

Imperial Cup – the Uncommon Carrier



When you make the finest quality paper and plastic cups, you don't take chances on common carrier overages, shortages, damages and delays. That's why we have Imperial's own truck fleet to assure accurate on-time delivery, in cases that look like they just came off the production line.

Quality and service are important to Imperial because they're important to our customers. Damaged cups cut into your profits, so take the Imperial uncommon approach to solve the problem. We guarantee that our service will spoil you.

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Paper merchant students in class at Miami University of Ohio.

Cover Photo
Paul Schult

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NPTA bridges the gap between industry and academia with two unique university programs for paper distributors. Highlights and background on the new and challenging "Management Development Program" and "Printech Week" are explored. These two intense training programs created by NPTA unite the university setting with the need for specialized education in a short period of time.

20 **PCs: Winds of Change: Part II**

by Dr. Roger K. Harvey

The question continues—has the time arrived to buy a microcomputer for your paper distribution business? In Part II of his article, Dr. Harvey discusses the decision-making process in terms of the PC's management applications. By use of facts and figures, Dr. Harvey provides insight into finding the calm in the eye of the computer storm.

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FOUR DISTRIBUTORS RECEIVE MEMBERSHIP IN NPTA

The following companies have received membership in NPTA. All officers, directors and staff wish them much success in 1985.

Katzke Paper Company
2495 S. Delaware Street
Denver, CO 80223
Clarence G. Katzke, President
established: 1948
location: 1
type: industrial

Northwest Wholesale Supply Company
P.O. Box 41
Eau Claire, WI 54702
George E. Orendorff, President
established: 1929
location: 1
type: industrial

Paper Sales Inc.
151 N. Rock Island
Wichita, KS 67202
Frank D. Hamrick, President
established: 1983
location: 1
type: industrial

G.A. Rinn Paper Co., Inc.
1101 N. Plymouth Street
Allentown, PA 18001
Robert E. Kline, President
established: 1922
location: 1
type: printing

APPLETON RESTRUCTURES ORGANIZATION

"The company's healthy growth and favorable outlook calls for a restructured executive staff to better guide us through the extensive progress that we project for Appleton Papers." That, according to company chairman Thomas W. Busch, is what is necessary to provide greater flexibility in planning the corporate direction.

Appleton Papers is in the midst of the greatest expansion and modernization in the company's history. The projects currently in progress total approximately $170 million.

John W. Turner, senior vice president of marketing for Appleton has become president. Dale H. Schumaker has been made executive vice president. Prior to that appointment, he was senior vice president of manufacturing. Both Turner and Schumaker will report to Busch.

With annual sales approaching $500 million, "the business demands the utmost executive attention to assure continued growth," said Busch. The reorganization has promoted Daniel W. McIntosh, director of sales, to vice president of marketing and sales.

Lawrence J. Casey, manager of the Locks Mill, has become vice president of manufacturing. McIntosh is now reporting to the president and Casey reports to the executive vice president.

"Appleton Papers is in the midst of the greatest period of expansion and modernization in the company's history," Busch said. "The projects currently in progress total approximately $170 million." The company employs 3,250 people and is a subsidiary of BATUS, Inc., Louisville, KY—the holding and management firm that has the US business interests of B.A.T. Industries p.l.c. of London, England.

API ELECTS NEW OFFICERS

Albert F. Duval, chairman and CEO of Hammermill Paper Co., has been elected chairman of API's board of directors. Roger W. Stone, chairman and CEO of Stone Container Corp., was elected vice chairman.

Duval succeeds Edwin A. Gee, chairman and CEO of International Paper.

MILL MERCHANT SALES ARE SEEN AS MOST PROFITABLE

Paper distribution activities were portrayed as a "stable stream of earnings in an industry when profits are cyclical." This, appearing in the October, 1984 First Boston Research *Paper and Paperboard Market Intelligence*, showed that mill-owned paper merchants are often the most profitable part of the manufacturing company's business.

"Inventory turnover and returns on identifiable assets for some merchants are quite good. In fact, for Great Northern Nekoosa, Mead and Boise Cascade, the return from distribution were the highest of all other divisions including primary paper manufacturing during the last three years. Moreover, these profits have been quite stable, not having the variability of other more cyclical operations such as wood products or primary paper production," the report concluded.

Inventory turnover and returns on identifiable assets for some merchants are good.

The *Paper and Paperboard Market Intelligence* monthly is available from First Boston Research. For more information, contact William M. Wigder at 212-909-3150.

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Mid-size	$37
Full-size, 2 door	$39
Full-size, 4 door	$41

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PEOPLE IN THE NEWS

Robert J. Keating was named industrial sales manager for Copco Paper's Columbus and Toledo Divisions. **Spencer K. White** was appointed vice president and general manager of the company's Charleston Division. **William E. Voisard** was named corporate inventory and purchasing manager. **James R. Boling** has become vice president and general manager of Copco's Lansing Division, and **Robert E. Hill** was promoted to vice president of corporate industrial marketing. **Kirk Buckham** has become the company's vice president-marketing information products.

Jerry Radosti was promoted to vice president of sales for Advance Paper Company of New Orleans and **Lenny Raymond** was named general sales manager.

Ronald Schulman was appointed sales manager for Africa and the Far East for Tradeway International Corporation in New York.

Ward A. Packard was named assistant to the president of WWF Paper Corporation in Bala Cynwyd, PA. **Mark A. Cocciardi** has become chief operating officer of Major Paper Converters of Clifton, NJ, a subsidiary of WWF.

H. David Hartstein, president of Smith-Scharff of St. Louis, passed away in October, 1984.

Bill A. West, general manager of Blake, Moffitt & Towne's Tucson Division, has retired after 48 years with the company. He was succeeded by **Ted E. Patterson** who was promoted from sales manager of the operation.

John P. Garfinkel was named division vice president and business manager of Crown Zellerbach.

James M. Piette was appointed executive vice president-primary products for Union Camp. **John D. Munford** was named executive vice president and remains general manager of the Fine Paper Division. **Jerry H. Ballengee** was appointed vice president and general manager of the company's Kraft Paper and Board Division. **W.S.D. Woods, Jr.** was named vice president and assistant to the president, and **William B. Howes** was appointed senior vice president but will remain general manager of the Container Division.

H. Thomas Reed was named vice president-marketing for the Paperboard Products Division of Mead.

Robert F. Meyer was appointed executive vice president for the Hammermill Papers Group. **Ronald A. Faster** has become the vice president of sales for the company and **Warren R. Omark** has retired.

Jacquelyn Fiocca of Fort Howard was honored by National Paper & Packaging of Cleveland as "1984 Mill Person of the Year."

FARGO PAPER EXPANDS GRAND FORKS DIVISION

The Fargo Paper facility in Grand Forks, ND has been expanded to provide 12,000 sq. ft. of high cube, one-floor warehouse space and increased office facilities. The company has maintained a branch in that city for 23 years with a staff of eight sales, office and warehouse personnel. Additionally, the firm has honored the Grand Forks branch manager who has had 25 years of service with the company. Fargo is a dual distributor headquartered in Fargo, ND.

NEW REPORT AVAILABLE ON DISPOSABLES

The outlook for the tissue sector is generally favorable for 1984 and 1985 according to a Wall Street investment firm. However, 1986 may be a difficult year due to excess capacity. This detailed report examines the industry by sector: bathroom tissues, paper towels, facial tissues, paper napkins, disposable diapers and feminine care products. Company comments are given for Fort Howard Paper, Kimberly-Clark and Scott Paper. Tissue capacity, production and operating rates are projected through 1986.

The report, titled "Tissue Products, Disposables Diapers and Feminine Care Products," is available from FIND/SVP, 500 Fifth Avenue, New York, NY 10110 at $375.

KERR DISTRIBUTING FINDS A "MOOVELOUS" APPROACH

A warehouse equipment clean-up auction turned up a few interesting and unusual items. Kerr Distributing in Amarillo, Texas reported that they hired an expert to help them reorganize their warehouse space, and as a result had many items that were put on the auction block.

As they amassed items of the auction, Kerr invited employees and local dealers to add anything they wanted to sell. In came a Jersey bull along with dirt bikes, a mobile home, and more. This was all added to the conveyor belts, old shelves and broken pallets for sale. Everything went in one day in true Texas style.

. . .In came a Jersey bull along with dirt bikes, a mobile home, and more. . .

CENTURY PAPERS REPORTS HEALTHY QUARTER

For the quarter ended September 30, 1984, Century Papers of Houston, TX reported sales of $20.9 million and earnings of $165,000. This represented a 12.3% increase in sales over the same period a year ago and a 37.5% increase in earnings.

"We are extremely pleased to have eight operating divisions ahead of last year's earning's pace and this year's plan," said Herschel G. Maltz, president and chief executive officer of Century.

The Paper And Plastics Education Research Foundation...

...Invites Your Support

The Paper And Plastics Education Research (PAPER) Foundation was created because there is a perceived need to have merchants and mills work together to study, understand and respond to changes, trends and developments in the distribution of paper, plastics and allied products.

The PAPER Foundation will work primarily on two levels; research projects developed and funded through regular Foundation activities, and research projects developed and funded through the special division of the PAPER Foundation, the Endowed Research Chair of Paper Wholesaling at the University of North Florida.

The PAPER Foundation Endowed Chair at the University of North Florida

There are several advantages of an Endowed Chair concept for conducting research.

1

Top quality academicians can be attracted to conduct research. They bring years of experience, background and knowledge with them.

2

The resources of a university (reference libraries, computerization, graduate assistants, pooled academic knowledge, etc.) can be harnessed for a project.

3

All of the above mentioned resources can be used at a cost much less than the cost structure of professional consultants.

4

A one-time payment to set up the Chair creates an ongoing income stream. This breaks the cycle of meaningful projects in search of funding. It will allow a majority of research time on the part of sponsoring organizations to be spent on managing the research and not fund raising.

5

A regular stream of income will also allow for better planning of the effort. The Foundation can take on projects based on its regular budget.

An opportunity to participate in the future of your industry.

Your tax-deductible contributions are welcomed.

PRINTING PAPER

PRINTERS SURVEYED ON PAPER SITUATION

A series of three Special Reports reflecting industry views on the 1984 paper supply/demand situation, on inventories and inventory planning, plus qualitative assessments of the current paper stocks, has been issued by the National Association of Printers and Lithographers. The series is based on over 1,000 returns to a recent "Let's Get the FACTS" survey conducted by the NAPL in cooperation with *American Printer* magazine.

A three-part approach—including heavy reliance on charting—was adopted because the data developed by the poll were so voluminous. Part 1, the current Report, analyzes the data according to respondents' specialty; Part 2, in production when this release was being written, reflects the data from the standpoint of respondents' size; Part 3, now in preparation, reviews the influence of locale on respondents' paper situation.

Part 1 indicates that, overall, late May paper inventories were unchanged from those of December '83 for about 42% of respondents, larger for 37% and smaller for 20%. Among forms manufacturers and advertising printers, as many respondents had increased inventories as those who had kept to late '83 levels, while for magazine printers 47% had increased inventories, 34% had not and 19% reported lower inventories. At midyear, paper inventories in terms of *median* working days were reported as follows: commercial printers and quick printers, 20; advertising printers, 24; forms and book printers, 30; and magazine printers, 45.

The three-part series was published at $45 by NAPL, but is available through a special arrangement with NPTA at $30—over 30% off the published price. Contact the NPTA Communications Department to place an order.

NEW HIGH-TECH GUIDE FOR QUICK PRINTERS

Printing Industries of America (PIA), in conjunction with American Quick Printing Association (AQPA) and Inter-Consult, has formulated a report that addresses new technology services for the quick print industry.

The report is a comprehensive view of current and future high-tech services. It not only serves as a reference guide with tutorials, but also is a strategic planning guide with recommended action steps for the single-shop quick print owner faced with implementing current and future technology.

Prior to February 1, 1985, the publication is offered to PIA members for $45.00 and to non-members for $60.00. After this date, the report will be available to PIA members for $55.00 and to non-members for $75.00

For more information, contact John Lancaster, Printing Industries of America, 1730 North Lynn Street, Arlington, VA 22209, (703) 841-8177.

NAPM REPORTS ON PAPER SITUATION

The National Association of Purchasing Management (NAPM) reported on paper demand in its November, 1984 issue of *Insight*. The organization stated that publication grade paper demand continued strong. Users apparently reduced inventories as the year drew to a close.

Coated Papers. The long-term outlook for No. 5 and No. 4 coated groundwood papers was seen as good due to the mills' future commitment in these areas. Demand was still strong for these grades. C1S was readily available according to the purchasing managers.

Uncoated Free Sheet. Demand continued to soften. Purchasing people saw this market remaining soft as new paper machines were brought on-line.

GPO CHANGES PAPER TRIMMING REQUIREMENTS

On November 1, the Government Printing Office (GPO) dropped its requirements that paper suppliers furnish only guillotine-trimmed paper. High-speed precision trimmers have replaced the

PRINTING INDUSTRY ORDER BACKLOG COMPARISONS

Comparison First Day of 4th Quarter 1984 to Last 6 Months and to All-Time High — Average Backlog in Days					1984 versus 1983 Historical Comparison — Backlog on October 1, 1984 versus October 1, 1983		
INDUSTRY GROUP	**APRIL 1**	**JULY 1**	**OCT. 1**	**Record High§**	**MORE**	**SAME**	**LESS**
All Groups*	15.3	14.7	18.0	18.0	35%	50%	15%
Sheetfed	13.4	11.3	14.5	17.3	35%	53%	12%
Heatset Web	28.8	29.1	33.6	35.0	38%	52%	10%
Nonheatset Web	16.1	17.5	16.8	22.8	25%	45%	30%
Business Forms	15.2	12.1	9.7	19.9	27%	43%	30%
Quick Printers†	3.4	2.1	4.7	5.0	36%	33%	31%

§*Highest reported backlog 1980 - 3rd Quarter 1984.*

**Excluding Quick Printers.*

†*Information for companies that produce business forms as a secondary (not primary) product.*

Source: *The National Association of Printers and Lithographers.*

guillotine cutters in newer and updated mills and are capable of holding even tighter sheet size tolerances than the older ones. Because of the old requirements these up-to-date mills were losing out in the competition for GPO business.

Results from the change are already apparent. According to the GPO, despite its inherently higher freight cost, a west coast mill outfitted with high speed precision trimmers has been able to underbid an east coast guillotine-equipped mill by 2 percent, almost a penny a pound less in this specific case.

CONGRESS PASSES BILL TO REGULATE PRINTERS

The Government Affairs Department of Printing Industries of America (PIA) reports that Congress has passed a major hazardous waste disposal bill that will regulate an estimated 10-15,000 printing firms and supplier industries in the U.S. This bill amends the Solid Waste Disposal Act/Resource Conservation and Recovery Act of 1976. It is officially called the "Hazardous Waste Control and Enforcement Act of 1983."

According to Margaret Rogers, director of Federal Programs for PIA, the PIA Government Affairs Department worked on several provisions of the bill. These include the underground storage tank provision, the hazardous waste disposal prohibition provision, and the small quantity generator provision.

This last section is of greatest interest to printers. It lowers the federal regulatory exemption from 2,200 lbs. or more of hazardous waste per month to 220 lbs. per month. "PIA is pleased to have taken a lead role in the development of the small quantity generator provision. We believe it is administratively and economically feasible, as well as environmentally responsible," said Rogers.

The original version of the bill included unnecessarily stringent requirements that could have affected over two million small businesses. But, according to Rogers, PIA Government Affairs talked to hundreds of Congress members to urge their support of an industry-environmentalists compromise, and in the face of political pressures, the PIA prevailed.

The Environmental Protection Agency (EPA) is required by the bill to issue regulations by March 31, 1986. This will require printers to identify and track their hazardous waste for disposal with a manifest form. The printers will be required to dispose of their hazardous waste in an EPA-approved hazardous waste disposal facility.

Hazardous wastes are defined by the EPA as discarded materials that pose a threat to human health, safety, property or the environment. The wastes which are regulated hazardous under RCRA are those that are ignitable, reactive, corrosive or toxic. Printing hazardous wastes include waste solvents, certain waste inks and ink sludge.

INDUSTRIAL PAPER

SURVEY GIVES TRUCK DRIVERS EDGE IN SAFETY

The results of a national public opinion poll conducted by the Washington office of Market Facts, Inc., gave the trucking industry high marks as an economic catalyst. They also rated truck drivers safer than other motorists.

The findings nearly mirror the results of a 1981 survey in which two out of three people gave the safety edge to truck drivers.

The latest national survey of licensed drivers found trucking more important to the economy than either railroads or airlines by a two-to-one margin. Over half believe truck drivers have a better safety record than automobile drivers.

The poll was based on the responses of 1,000 drivers from across the nation and 18 years old and over. Some of the key findings were:

- Three-quarters of the public believe that trucking is "very important" to the overall health of the economy.
- 69% agree that truck drivers are generally more courteous than auto drivers.
- 64% view truck drivers as more willing to help in an emergency than other motorists.
- 28% fear driving alongside trucks on the highway more than alongside cars.

NAPM REPORTS ON INDUSTRIAL PAPER SITUATION

The National Association of Purchasing Management's *Insight* newsletter reported the paper situation from their point of view last November. For industrial paper, they stated the following:

Paperboard. The demand for lightweight SBS paperboard remained stronger than demand for the heavier weights. Recycled paperboard was readily available. Linerboard costs have jumped.

Kraft. Northern natural MF and MG papers demand was lower. Southern natural kraft MF papers for wrapping, bags and sacks produced on the same machines used to make linerboard, were kept busy swinging production from grade to grade.

CLEANING GUIDE TEXT AVAILABLE

The Soap and Detergent Association has designed a new manual, *Programmed Cleaning Guide*, to assist environmental sanitation organizations with their monumental maintenance responsibilities.

The guide contains 190 pages and is softcover bound in a handy 5¼" x 8" size. The unique appendix includes carpet, floor and laundry stain removal charts, warewashing problems and solutions, and cleaning equipment "how-to's."

For more information contact Industrial & Institutional Div., Dept. PC6, The Soap and Detergent Association, 475 Park Ave. South, New York, NY 10010, (212) 725-1262.

MANAGEMENT INFORMATION

NPTA'S NEW QUARTERLY REPORT

Many members have expressed concern over the six month delay each year of receiving their PARs (Performance Analysis Reports). To address this issue NPTA mailed a survey to members in May and July, 1984 to determine interest in a new quarterly report that would track company performance more frequently.

Approximately 180 companies responded and 77% were in favor of such a report. Based on this positive response, NPTA *will* introduce the report, beginning with the first quarter of 1985. Participants would start reporting in early April, upon completion of the January 1-March 31 period.

Following are the key features of the "QBCR" (Quarterly Business Conditions Report):

- Information submitted remains confidential. Each firm receives an identification code and company names do not appear on completed forms.
- To avoid possible confusion, the "QBCR" reporting form will be different in format and color from the current pink Paper Merchant Sales Report form.
- The report will be produced in-house at NPTA, once the Association's computer system is fully operational.
- Classification of data will be by region, printing, industrial and dual merchant. Your firm's data is compared to your NPTA region and a U.S. average.

The "QBCR" will be a simple, easily-digested report that tracks ten most crucial financial measures relevant to a paper merchant. (see Table I). It will not replace the PAR report, but simply address the demand for more timely information. The "QBCR" also differs from the Paper Merchant Sales Report in that it will provide data concerning profitability, inventory turnover and average order sizes.

Adjoining are samples of the proposed quarterly reporting form (Table I) and the report to be sent to participating members (Table II). Unlike the monthly Sales Report, **only survey participants will receive the "QBCR."**

For more information about the new report, please contact the research director at (516) 829-3070.

Table I: Member Report

QUARTERLY BUSINESS CONDITIONS REPORT

Period: (1st quarter 1985)
Type Merchant: (Printing, Industrial, Dual)

	Your Firm	Your NPTA Region	U.S. Average	Year-to-Date
Percent Sales Increase (%)				
Warehouse Gross Trading Margin (%)				
Direct Gross Trading Margin (%)				
Total Operating Expenses As % Gross Profit (%)				
Pre-tax Profit As % Net Sales (%)				
Inventory Turnover (X)				
"Turn & Earn" Index				
Receivables Turnover (Days)				
Days Payable				
Average Order Size ($)				

Table II: Reporting Form

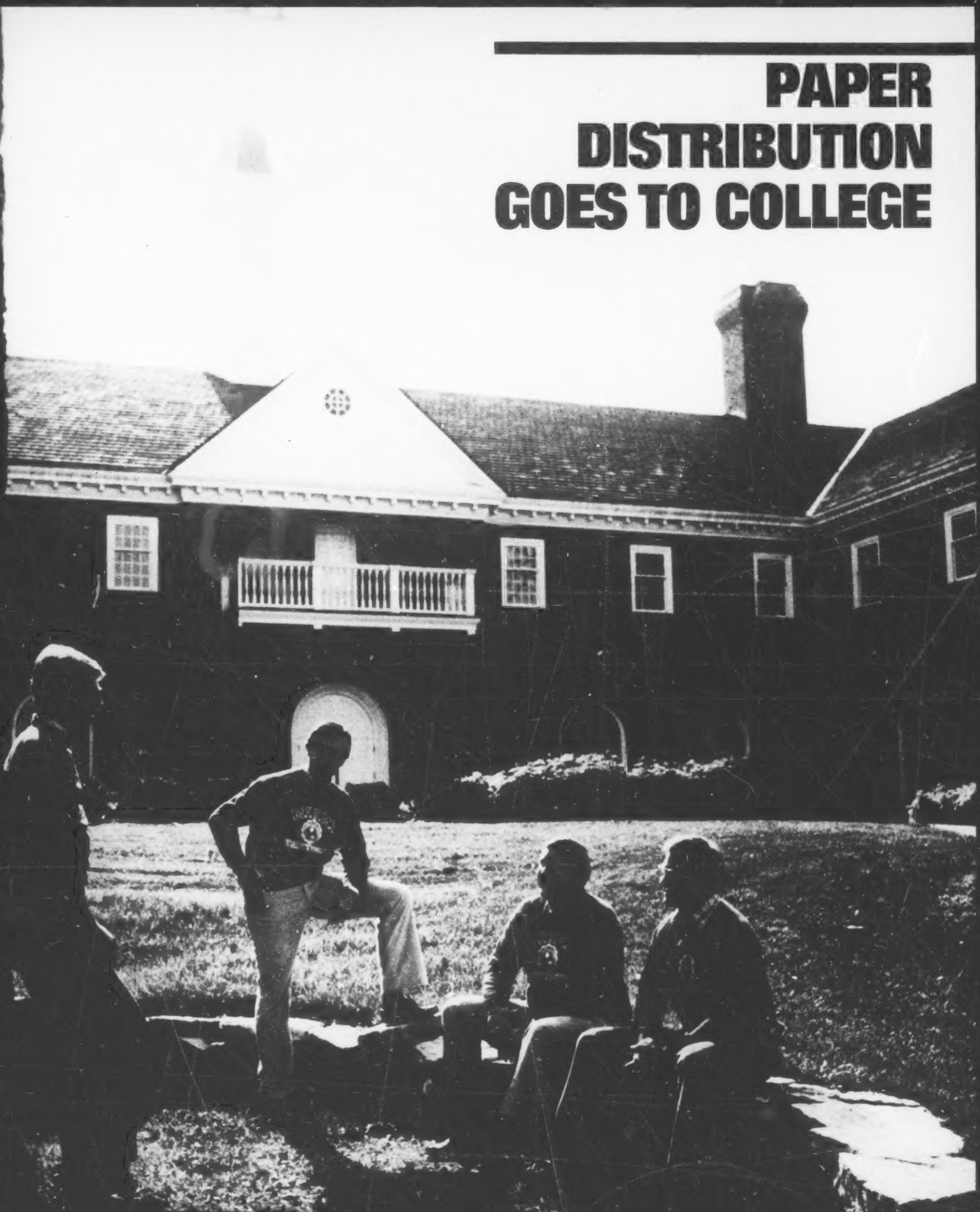
QUARTERLY BUSINESS CONDITIONS CONFIDENTIAL MONTHLY REPORT

For the Period ____________

I.D. Code ____________

		Industrial Papers		Printing Papers	
		1st Qtr. 1985	1st Qtr. 1984	1st Qtr. 1985	1st Qtr. 1984
Sales (Cumul. 3 mos.)					
Warehouse	(1)	$ ______	$ ______	$ ______	$ ______
Direct	(2)	$ ______	$ ______	$ ______	$ ______
Cost of Goods Sold (Cumul. 3 mos.)					
Warehouse	(3)	$ ______	$ ______	$ ______	$ ______
Direct	(4)	$ ______	$ ______	$ ______	$ ______
Gross Profit (Cumul. 3 mos.)					
Warehouse	(5)	$ ______	$ ______	$ ______	$ ______
Direct	(6)	$ ______	$ ______	$ ______	$ ______
Net Profit Before Taxes (Cumul. 3 mos.)	(7)	$ ______	$ ______	$ ______	$ ______
Total Operating Expenses (Cumul. 3 mos.)	(8)	$ ______	$ ______	$ ______	$ ______
Inventory (FIFO)					
Beginning of Quarter	(9)	$ ______	$ ______	$ ______	$ ______
End of Quarter	(10)	$ ______	$ ______	$ ______	$ ______
Total Quarter Closing Acct. & Notes Rec.	(11)	$ ______	$ ______	$ ______	$ ______
Total Quarter Closing Acct. & Notes Pay.	(12)	$ ______	$ ______	$ ______	$ ______
No. of Warehouse Orders (Cumul. 3 mos.)	(13)	# ______	# ______	# ______	# ______

PAPER DISTRIBUTION GOES TO COLLEGE



Coming full cycle . . .

Higher education, which once was confined to institutions such as these, broke out of them in the 1960s and 70s into specialized training handled on-site at paper merchant houses. Now in the 1980s, the value of university-based programs is once again coming to the forefront. NPTA has worked closely with two major institutions of higher learning to create a new brand of education for the paper trade. It is a unique blend of academia and business . . . and is *not* for everyone.

PAPER DISTRIBUTION GOES TO

Miami University of Ohio is the beautiful setting of the NPTA Management Development Program.

Intensive. If there is one word that describes a university-based industry training program, that is it. Paper distribution people do not have time for lengthy courses of study.

Realizing this, NPTA crafted two important university programs that are unique in the industry: one in management, the other sales-related. One involves theory and practice, the other is technical in nature. Both have been designed for paper distribution industry people by industry people.

The "Paper Distribution Management Development Program" was created in cooperation with Miami University of Ohio. "Printech Week" utilized the expertise of the education and technical staff at Rochester Institute of Technology in Rochester, NY. These programs create a bridge between the university setting and the need for specialized training in a short time period.

The marriage of industry and academia is new and challenging for paper people. It gives them more than specialized training; it provides concentrated time away from phones and customers. The special setting promotes sharing of experiences among participants and the future networking ideas.

Miami
University
1809

The branch manager of a paper distribution chain walked into a college classroom and sat down. It had been many years since the last time he had done that and he was a bit nervous. Other students, also industry managers, were beginning to fill the room. There was an air of anticipation.

The chatter abruptly stopped as the professor entered the lecture hall. Everyone was all ears.

What is it about the college environment that is different from a seminar at a hotel or sales meeting at a company? The participants may be the same ones who attend other meetings, but a college course is different. It may be the intensity.

The paper distribution industry has never had a college-based course of study geared to the needs of branch and middle managers. Until now, that is. Working with Miami University of Ohio, the National Paper Trade Association created a specialized program designed to meet the educational needs of industry managers. And that program was launched with 25 participants at the end of October.

Background

The need for a college-based program became evident to NPTA as it analyzed the growth of the paper distribution industry. Paper distributor operations have grown in both size and sophistication. Member presidents approached NPTA with the idea of creating a "Paper Distribution Management Development Program" to help their branch and middle level managers improve their management abilities and keep up with the latest techniques.

A special committee of the Association's board of directors, led by former NPTA president John F. Church, Jr., investigated the possibility of developing such a program. A survey of member interest was conducted in order to pin-down specific topics to be covered and suitable university settings were explored.

A proposal was made to the board in the Spring of 1984 that would establish a Management Development Program at Miami University of Ohio in Oxford. Once accepted, the NPTA staff, the college faculty and the special committee fine-tuned the curriculum and set dates for the course.

"A program such as this is a necessary part of our industry," said John F. Church, Jr. "We want our managers to be more effective and to grow in their jobs. A university-based program of intensive study and field work is just the right mix for our industry."

COLLEGE

Program Structure

"The right mix" is a program of instruction that combines lectures, case studies and group interaction with an individualized marketing project. The Management Development Program accomplishes this by holding a one-week course at the University followed by a project to be worked on at home over the next six months. At the end of that time, the students return to the college for another week of study.

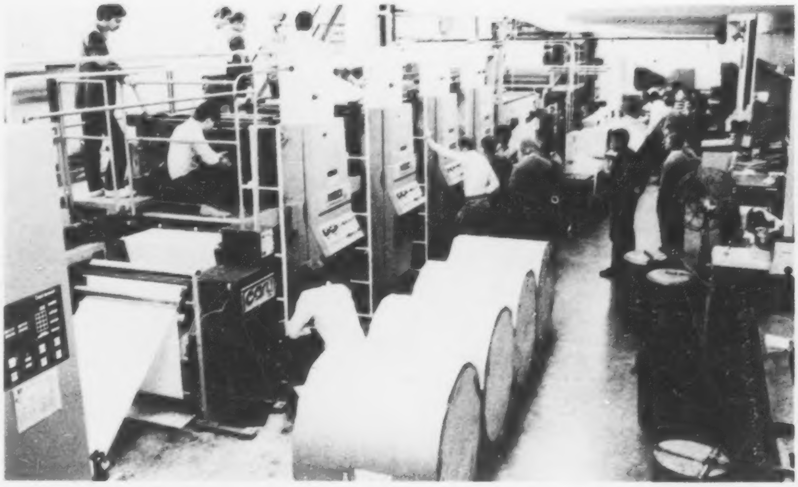
Week One of the Management Development Program focuses on "developing the organization." This is followed by the marketing project. Students spend 20-25 hours of work on a marketing project where they apply what they have learned to their own company situations during the next six months that follow Week One.

Week Two study at the University gives students new perspectives on "management development" itself. The cost of the entire program is currently $1850 which includes tuition, room and board at the Marcum Center at Miami University of Ohio.

Curriculum

The program has a healthy curriculum that encompasses all of the important aspects of management development (see curriculum outline). The total program includes approximately 100 hours of study: Week One - 40 hours (includes evening classes); marketing project - 20 hours; Week Two - 40 hours (includes evening classes). "The curriculum is designed to be a complete program of instruction for branch managers and middle level managers in our industry," stated John J. Buckley, Jr., NPTA president. "To make the program as complete and effective as possible, we are now taking the experiences of the first group through the program and are adjusting and fine-tuning the course of study. By the time we offer this program again in the Spring, we feel that the curriculum will truly be on-target for paper merchant managers. The program will *always* be fine-tuned so that we will be sure that we continue to serve the needs of our industry," Buckley said.

Participants in the first Management Development Program held October 28 - November 2, 1984, numbered 25. The companies represented an even split of printing, industrial and dual firms and most attending were branch managers (see list of participants). Approximately half of all companies represented at the first session sent two people, the others one.



Paper merchants work together on RIT's web press during Printech Week.

"The first program attracted people with experience in the industry," said Bruce H. Linden, NPTA director of education and training. "The program is really designed for those managers who want and need a formal review of both the theory and practice of running a paper merchant operation." He went on to say that "the program covers its subjects in-depth and so requires a management commitment to personnel development."

Richard Vandegrift, the coordinator of NPTA's Management Development Program at Miami of Ohio, worked closely with the first group through. "I was very impressed with the participants in this first program from the paper distribution industry. These are dedicated people," he said. "Prior to launching the Management Development Program, the folks from NPTA and I visited member merchants and I was very taken with the highly competitive nature of the industry. And for companies to compete successfully, management development is a must. One mission of our university is to provide this kind of specialized program."

The Program Continues

Week Two for the first group is scheduled for May 5-10, 1985 at Miami of Ohio. During that same week, another session will begin for other interested industry managers. Their second week will be held approximately six months later, November 10-15, 1985, when a new group will start its first week of study. Those wishing to reserve a place in the 1985 Program should use the enclosed card. Return it to NPTA as soon as possible. Registration is limited to 25 people.

PAPER DISTRIBUTION MANAGEMENT DEVELOPMENT PROGRAM PARTICIPANTS

Paul C. Carney
Vice Pres. - Gen. Manager
Alling & Cory
Syracuse, NY

Stanley S. Ellson
Division Manager
Alling & Cory
Buffalo, NY

Howard Adcock
Branch Operations Manager
Brame Specialty Co. Inc.
Durham, NC

Dennis Filkoski
Vice President & General Manager
Butler Paper Company
Denver, CO

Don E. Dial
Indio Branch Manager
Carr Paper Company
Pomona, CA

J. Mike Lease
El Centro Branch Manager
Carr Paper Company
Pomona, CA

Greg Donahue
General Manager
Dixon Paper Co.
Phoenix, AZ

Rich Henley
Manager
Dixon Paper Co.
Colorado Springs, CO

Maurice Smith
General Manager
Dixon Paper Co.
Boise, Idaho

Peter Tomasini
Vice President of Sales
The Dowd Co., Inc.
Woburn, MA

Jeffrey Kirchmer
General Manager
General Paper Co.
Pittsburgh, PA

James E. Bliler
Sales Manager -
S. Bend/Hammond Branch
Inlander-Steindler Paper Company
Elk Grove Village, IL

Wayne Laniuk
Branch Manager
Inter City Papers Limited
Winnipeg, Manitoba

Edward Klaskow
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JB Papers Inc.
Union, NJ

Ron Esper
Vice President
Morris Paper Company
Pittsburgh, PA

Jeffrey Epstein
Operations/Production Manager
National Paper & Packaging Co.
Cleveland, OH

Jeffrey H. Grover
Territory Representative
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Terry Payne
Manager
Nationwide Papers
Detroit, MI

Phil Christensen
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Toledo, OH

Alan Leininger
Executive Vice President
The Ohio and Michigan Paper Co.
Toledo, OH

Bill Cook
Sales Manager
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Div. of Hammermill
Dallas, TX

Bill Callahan
Sales Manager
Rourke-Eno Paper Company, Inc.
Hartford, CT

Jerry L. Maratea
Industrial Sales Manager
Rourke-Eno Paper Company, Inc.
Worcester, MA

Robert A. Fening, Jr.
Executive Vice President
Southern Paper Co.
Lexington, KY

Steven F. Ohrman
General Manager
Supplyways Inc.
Portland, OR

Robert C. Breedlove
Branch General Manager -
Orlando
Unijax, Inc.
Orlando, FL

Management Development Program Class at Miami University.

NPTA MANAGEMENT DEVELOPMENT PROGRAM CURRICULUM

Day I

Strategic Management of the Paper Wholesaler

- Time orientations of the manager
- Basic progression in managing for the future
- Strategic planning model
  - survival considerations
  - mission/purpose
  - long range objectives
  - supporting resources and strategies
  - short range objectives
  - strategies, structure, resources
- Obtaining subordinate commitment
- Assuring results for the strategic plan

Day II

The Scope of Marketing Management

- Marketing and selling - are they the same?
- The marketing task
- Strategic marketing - responding to market dynamics

Understanding the Industrial Buying Process

- The purchasing process
- Multiple buying influences
- Buying situations
- Marketing strategy developed on the basis of the buying process

Market Analysis - External

- Evaluating the environment
- Analyzing competitive activities
- Estimating market potential
- Information requirements

Day III

Market Analysis - Internal

- The marketing productivity audit
- Evaluating company image and service performance
- Analyzing market segments
- Analysis of results: market share, profitability by product, customer and territory

Developing Marketing Strategy

- Information base
- Elements of market strategy
- The marketing plan
- Implementation of the marketing plan

Day IV

Profitability Analysis

- Understanding paper merchant financial statements
- Measuring operating and financial performance
  - operating profitability (DuPont analysis of return on total assets—ROTA)
  - operating profitability vs. return on investment

Use of Performance Measures

- Evaluation and analysis of a firm's secular performance
- Comparative analysis of two or more firms' performance
- Comparison of firm and industry performance measures (PAR)
- Use of performance measurement tools in establishing operational and financial objectives for the firm
- Cost-volume-profit analysis

Day V

Credits and Collections

- Accounts receivable in the paper merchant industry
- Developing a credit policy
- Purpose and use of statistical records
- Credit control indicies
- Collection control indicies
- Credit analysis
  - non-financial factors
  - use of financial techniques

Future Technological Trends in the Paper Industry

- Raw materials
- Pulping process
- Paper-making processes
- Finishing processes
- Converting processes

Impact of Technological Trends on Product Characteristics and Quality

Day VI

The Work of the Manager

- Roles and responsibilities
- Managerial skills: conceptual, human, technical
- The nature and processes of management
- Developing your philosophy of managing
- Personal qualities of the effective manager

Effective Leadership Styles and Practices

- The nature of leadership
- Leadership styles and systems
- Understanding the situational factors that affect leadership
- Assessing your own styles and flexibility

Day VII

The Management of Time

- Lifetime considerations
- The culture of time in the organization
- Personal and organizational time values
- Expectations and time use
- Avoiding "time wasters"
- Disciplined use of time

Individual Productivity

- Productivity imperatives
- Role of work in productivity
  - understanding expectations
  - dialogue on expectations
  - follow-through on commitment
- Work fit
  - original/continuing
- Work environment
  - supervisory leadership
  - company bureaucracy
  - the dissatisfiers
- Individual motivation
  - personal values and needs
  - life cycle motivation
  - blips in the cycle

Day VIII

Interpersonal & Organizational Communication

- Developing an awareness of the basic concepts of interpersonal communication in the organization
- Understanding six key propositions in perception and human behavior
- Understanding the components of a manager's "communication competence": listening, accuracy/semantics, openness, empathy, versatility

Managing Interpersonal Relationships

- Developing an awareness of two key dimensions of behavior: assertiveness & responsiveness
- Understanding a manager's observable social style
- Understanding back-up styles: behavior under stress
- Personalized feedback of participants' own social style
- Building versatility based on social style

Day IX

Performance Improvement Through Employee Development

- The responsibilities of management in developing employees
- Identifying development targets and formulating development plans: tools and techniques
- Obsolescence and stagnation

Evaluating Performance

- Evaluation systems and methods
- Errors in evaluation

The Performance Appraisal Interview

- Purpose and problem areas
- Preparing for the interview
- Practicing your appraisal interviewing skills and techniques
- Guidelines for performance appraisal interview
- Coaching and counseling employees on the job

Day X

Creating A Climate for Achievement

- Managing the psychological contract
- Securing high performance and employee commitment
- Elements of positive work climates
- Managing your organization's climate

Building A Winning Team

- The components of a successful team
- Techniques to strengthen your team
- Managing group processes
- Developing your team into an integral part of the total organization

NPTA HOLDS FIRST PRINTECH WEEK AT RIT

A University-based curriculum such as the Management Development Program is new for NPTA, but it is fast-becoming an important service to the paper distribution industry. The Association's affiliation with Rochester Institute of Technology is now giving printing paper merchant sales people and their managers a valuable training program in graphic arts technology. Printech Week is providing a needed piece of merchant sales education.

Printech Week Curriculum

(1984 Program)

Mon. Nov. 12	
8:30 - 9:00	Introduction & Registration
9:00 - 9:45	Keynote Paper Speaker: Richard M. Harris, Jr.
9:45 - 10:00	break
10:00 - 12:00	Reproduction Photography
12:00 - 1:00	lunch
1:00 - 3:00	Inks and Blankets
3:00 - 3:15	break
3:15 - 5:15	Color Scanning
Tue. Nov. 13	
8:30 - 10:00	Offset Lithographic Platemaking
10:00 - 10:15	break
10:15 - 11:15	Color Principles
11:15 - 12:30	lunch - Clark Dining Room
12:30 - 2:15	Color Principles (cont'd.)
2:15 - 3:30	Flexography
3:30 - 3:45	break
3:45 - 5:00	The Sheetfed Offset Press
7:00 - 9:00	Sheetfed Offset Lab
Wed. Nov. 14	
8:30 - 11:15	The Web Offset Press
11:15 - 12:30	lunch - Clark Dining Room
12:30 - 2:30	Non-Impact Printing
2:30 - 2:45	break
2:45 - 4:00	Paper Considerations for Non-Impact Printing
7:00 - 9:00	Paper Selling for Web Offset
Thu. Nov. 15	
8:30 - 9:45	Screen Printing
9:45 - 10:00	break
10:00 - 11:15	Gravure Printing
11:15 - 12:30	lunch - Clark Dining Room
12:30 - 4:30	Web Offset Paper Panel
6:00 - 7:00	Cocktails - Poolside - Rochester Hilton
7:00	Dinner - Packet Room - Rochster Hilton
Fri. Nov. 16	
8:30 - 9:30	Panel Discussion: Future printing methods
9:30 - 9:45	break
9:45 - 12:00	Review & Roundtable
12:00 - 12:15	Wrap Up

Printech Week brings the merchant sales person into the realm of his customer's business. Being able to understand graphic arts processes is clearly a necessity for those who sell printing paper. Printech teaches that the successful sales person is *not* an order-taker, but a specialist in the paper that feeds his customers' machines. Increased knowledge translates into increased sales.

The NPTA Printing Paper Division Committee worked closely with the Research and Technical Center at Rochester Institute of Technology to create a curriculum tailored to the needs of the paper merchant industry.

NPTA selected Rochester Institute of Technology because of its excellent facilities and highly qualified staff. RIT is well respected in the graphic arts community and the staff is very responsive to the needs of paper merchants. RIT has every type of graphic arts equipment in full operation for the Printech program.

Printech Week was held at the RIT's School of Printing. The school occupies more than 125,000 square feet of classrooms, libraries and 25 fully-equipped laboratories. The participants had access to computerized typesetting systems, process cameras, color scanners, proofing systems, facilities for making plates for all the major printing processes, a modern bindery lab, ink and paper testing labs, and one- and four-color presses for lithography, flexography, gravure, screen printing, and a full web printing operation.

The first Printech Week class was held November 12-16, 1984 and was attended by 23 sales people and sales managers from Seattle to Miami. Opening remarks were given by Alling and Cory Chairman Richard M. Harris, Jr. The group spent over 40 hours together in the classes and laboratories concentrating on the processes that put ink on paper (see curriculum listing).

As a result of the first Printech program, two others have been scheduled for 1985. The NPTA Printing Paper Division Committee and the RIT staff are in the process of refining the program. Printech Week gives many an opportunity to increase their knowledge of printing processes and sell more paper. The 1985 Printech programs will be the best yet and NPTA has more information for those who are interested.

PRINTECH WEEK PARTICIPANTS

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West Haven, CT

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Sales Representative
Carter/Rice
Boston, MA

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Gummed Paper
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Nashua
Elk Grove Village, IL

Jack Luker
Nationwide Papers
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Vern Field
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Michael Englert
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Carlos Ortega
Printing Paper Sales
Unijax, Inc.
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Mike McKibbon
Salesman
West Coast Paper Company
Seattle, WA

Participants at the Printech Week Program at Rochester Institute of Technology.

TRUCK SAFETY LEGISLATION

What was left out of the Motor Carrier Safety Act of 1984, passed in Congress' waning hours last month, is more important to wholesaler-distributors than what was *left in*. Specifically, as a result of NAW lobbying and grassroots support, the legislation does *not* contain burdensome *intrastate* Bureau of Motor Carrier Safety (BMCS) regulations originally designed for long-haul over-the-road vehicles.

Had the regulations remained in the bill, wholesaler-distributors would have been forced to abide by BMCS rules regarding daily logs, driver age (21) and qualifications, physicals, daily safety inspections and other time-consuming, paperwork-generating requirements. The intrastate regs would have applied to a wholesaler-distributor transporting products to in-state end-users outside the wholesaler-distributor's commercial exempt zones. NAW's success in having the regs deleted, however, means that our industry need not be concerned with the proposed requirements while operating intrastate.

Instead, the Motor Carrier Safety Act of 1984 mandates a two-year Department of Transportation (DOT) study to determine what, if any, Bureau of Motor Carrier Safety regulations would improve intrastate truck safety. When the study is completed, DOT will make legislative recommendations to Congress.

At that time, NAW will be able to testify on specific recommendations rather than the suppositions contained in the original bill. In the meantime, two years' worth of tedious paperwork for thousands of wholesaler-distributors nationwide has been *avoided* by the actions of NAW and NAW members.

Grassroots support insures legislation.Makes sense for merchants.

BLS REPORTS JOB FATALITIES DOWN IN 1983

A Bureau of Labor Statistics survey of 280,000 private sector employers found that the number of job-related fatalities declined by 25 percent in 1983, but other occupational injury and illness rates remained virtually unchanged. According to the American Paper Institute, there were 3,100 work-related deaths in 1983 in workplaces with 11 or more employees, compared with 4,090 in 1982 and 4,370 in 1981. Approximately 30 percent of the deaths resulted from motor vehicle accidents.

BLS reported that about 7.6 injuries and illnesses occurred per 100 full-time workers in 1983, compared with 7.7 in 1982. Workers lost time from work because of injury or illness in 3.4 cases per 100 workers in 1983, virtually the same as in 1982.

RETIREMENT EQUITY ACT OF 1984 BECOMES LAW

Signed into law by President Reagan on August 23, the Retirement Equity Act of 1984 amends the Employee Retirement Income Security Act of 1974 to remove what were perceived as inequities in the pension law that discriminated against women, both as workers and as spouses of workers who earn pensions.

Under the law, the maximum age which a pension plan can require a worker to obtain before participating in the plan is lowered from 25 to 21 years, and the age for vesting from 21 to 18. The law also allows an individual to leave the workforce for five consecutive years and still retain eligibility.

The law also requires payment of benefits to the spouse of a worker who was fully vested even if the worker dies before the early retirement age of 55 under ERISA. In addition, it requires the written consent of both the pension plan participant and spouse to waive the survivor annuity option, and abolishes the ERISA provision allowing pension plans to deny a widow's or widower's benefits if a spouse dies from natural causes within two years of choosing survivor benefits.

The law came into effect on December 31, 1984, for existing pension plans, except in the case of those established through collective bargaining, where the law will take effect when the specific contract pertaining to the pension expires, or January 1, 1987, whichever comes first.

PAPER MERCHANTS AND ANTITRUST LAWS

The modern paper merchant is affected by numerous federal and state laws and regulations. Tax considerations, safety, health and environmental laws, affirmative action plans—to mention just a few—are matters that frequently affect a paper merchant's judgments and decisions and the day-to-day operation of the business.

The federal antitrust laws are, in some respects, similar to other laws and regulations. They are laws which can affect business judgments, decisions and operations. Therefore, the antitrust laws should be a subject of which the paper merchant is acutely aware.

It is important for paper merchants to be aware of the legal issues involved. NPTA has among its roster of publications the *Paper Merchants' Guide to Antitrust Laws*. The primary purpose of this booklet is to create that awareness. It is not, and is not intended to be, either a detailed analysis of the antitrust laws or a substitute for competent legal counsel, nor does it attempt to deal with the antitrust laws which have been enacted by most states and are generally similar to federal law. Rather, by explaining the federal antitrust laws in general terms, it is intended to assist the paper merchant in becoming sensitive to potential antitrust problems and recognize when to seek competent legal guidance.

The *Paper Merchants' Guide to Antitrust Laws* is available from the NPTA Communications Department. Members are encouraged to buy copies for everyone on their management teams. The booklets are $1.00 each. (Minimum order is 10.)

BUSINESS LETTERS COST 6.6% MORE IN '84

The cost of dictating and transcribing the average business letter reached $8.10 in 1984, up 6.6% in one year. Why so much? Well, Dartnell (the organization that conducts the survey each year) states that salaries for the dictator were up an average of 7.2%, secretaries had 6.9% raises, materials were 5% higher, and only postage held steady. But, what is an "average" business letter? It is a letter running 185-190 words that takes eight minutes to dictate.

BUSINESS SUCCESS AND SUCCESSION

Family owned, closely-held businesses face unique problems. When contemplating the transfer of ownership, it is important to know how to go about it. NPTA has a resource that is valuable for all privately held companies: **The Strategy of Business Perpetuation**. *It reviews valuing the company, management succession, transferring ownership and contains legal tips. Written by noted wholesaling author George C. Webster, this book is a must. The publication price is $35.00, but is available for a limited time from NPTA at $24.00—over 30% off. To receive your copy, just fill our the enclosed card and mail it to NPTA.*

DON'T SCRAP THAT OLD COMPUTER!

According to the Associated Press, old computer components are being turned into gold by what may be the first high-tech junkyard. A new plant in Gloucestershire, England, has been processing discarded printed circuit boards, silicon chips and other scrapped computer components to extract the bits of gold, silver, platinum and other precious metals they contain. A ton of computer scrap can yield as much as two pounds of gold.

DO YOU EVALUATE PERFORMANCE?

That's not an easy thing to do. But performance evaluation is supposed to improve productivity, right? Well, according to a recent study, only 10% of major U.S. corporations have improved productivity through employee evaluation systems. The report also stated that 88% of all layoffs were not based on merit (or lack of it), but on seniority.

PERSONAL COMPUTING

PCs: WINDS OF CHANGE

PART II: Management Control and Strategic Planning Applications

This is the second and last part of the article on PCs by Dr. Roger Harvey. If for some reason the reader missed Part I, contact **MN** *magazine for a free copy. The complete article is a useful resource for all interested in the application of PCs in their businesses.*

Moving-up Figure 2, "Management Control" decisions in a paper distribution house involve middle and top management activities that are usually found in the functional areas of sales, finance and accounting, personnel management, inventory management and purchasing, and operations management.

Management in these areas is decision focused rather than procedure focused with "exception-type" reporting of the support mechanism on a weekly or monthly basis.

Just as important, however, managers in functional areas often require special, ad hoc information to deal with "out-of-control" situations. Given the time delays associated with initiating new MIS reports, the benefits of "end-user" management computing begin to emerge with management control applications.

Management control reporting is not limited to functional areas, however; many distributors have corporate-wide control mechanisms in place such as total or partial monthly operating budgets. Budget reports focus on variances and on responsibility areas of the business—expenses, gross profit margins, branches, and sales. Ranked and sorted product-line or customer-line profitability analysis reports are other examples of management control information.

So microcomputer control applications can be found at the corporate level or in the functional areas of paper distributorships, especially in the smaller paper houses. They are definitely not limited to the functional management areas in the larger houses.

As is suggested by the right-side of Figure 2, information for management control is part of the "Decision Support System." This is a system of reports and user information generating ability that managers need to recognize and solve problems at their higher levels of responsibility.

These reports and information may or may not be provided by the EDP function. If it is performed effectively by your EDP function (in-house or outside software vendor), then potential applications for microcomputers diminish. But where control information is not being effectively provided by the EDP function or where your company is too small to underwrite an expensive MIS or budgeting system, then microcomputer "database management systems" or "spreadsheets" may offer you the support system you need.

Even in large organizations with sophisticated MIS's, periodic control reports may be provided but a manager's ability to generate his own reports or to satisfy specific information requirements has been slow to be provided ("you'll have to wait six months until a programmer can get to it") or non-existent ("our outside dp vendor would charge too much for such a special program"). In many small organizations the capability of generating owner/manager designed reports outside of those provided by a retail software accounting package is non-existent.

If this is the case in your company, then a microcomputer plus your time in learning how to use a software package or two, can provide you with the capability of building your own decision support system.

Managers often find they have responsibility for a functional area of the business but not the informational system to control. A microcomputer-based decision support system which you build yourself can often provide the "exception" reports or the ad hoc information generating capability you need to be a more effective manager.

Perhaps you need non-accounting information to control your area of responsibility. Non-accounting databases in a paper distribution company might be built for personnel rosters, salesperson call data, customer mailing lists, customer profiles or activity statistics, or telemarketing tracking.

A microcomputer with "database management" or "file management" software can provide you with your own "local" data gathering, manipulation and report generating capability.

Database management system programs are comparable to an electronic filing cabinet. Data are entered through the database management software onto the microcomputers' diskettes or hard disk in a common format; the data then can be sorted, calculated, selected, retrieved, and summarized in user-defined reports. Data can be retrieved for on-line inquiry as well as electronically searched and selectively retrieved. Records can be updated on-line without regard to where and how the data will be stored.

Microcomputer "database management" software products such as DBASE III and the PFS series receive high marks for enabling managers to build their own information support systems based on non-accounting data as well as accounting data.

Potential "electronic spreadsheets" for software products such as Lotus 1-2-3 also start to appear as management control applications.

By Dr. Roger K. Harvey
Value, Inc.

Electronic spreadsheets consist of row and column tables applied to a microcomputer's memory grid, some of the rows and columns have values while others have mathematical expressions (e.g. Row 3 is 10% of Row 1). When the value or row/column location of one location is changed (e.g. Sales), then the electronic spreadsheet program will change all the row/column subtotals and totals as well as the value of any row/column location that mathematically depends upon the changed value.

If you find yourself making the same calculations every week or every month (performance ratios, commission extensions, product line or customer line profitability reports, inventory or purchase activity measures, sales or gross profit trend analysis, etc.), then you should consider a microcomputer with electronic spreadsheet software. The reports generated from these repetitive calculations may be presented in tabular or graphical form; many electronic spreadsheets offer presentation graphics as an alternative to presenting data in tabular form.

If your company doesn't have a comprehensive budgeting system but you wish to control selected segments of your business (e.g. branches, product lines, special inventory lines, retail stores or counter activity, salespeople), you will find spreadsheet software tailor-made for the job. Electronic spreadsheet budgets can even be set up as "flexible budgets" where varying budget items can be driven by sales and easily changed when sales for the period are different from those originally forecasted.

Microcomputer spreadsheet software is also useful for product-line and customer-line turn-and-earn analysis. The columns are the turn-and-earn dimension of the analysis and the rows are your major product lines. When the calculations are complete, the results can be selected to produce exception-type reports.

The major drawback of microcomputer management control applications is data entry. Managers frequently find that large amounts of data have to be entered weekly or monthly. The data is also often keyed-in from computer printouts generated by the EDP department.

The question raised by a manager in this situation is "why can't I plug my micro into the mainframe or minicomputer and download the necessary data into my microcomputer database management program or spreadsheet software?".

The answer to this question is that it's a "high risk," although "high return," microcomputer application. If you identify an application in your functional area that requires large amounts of data from the corporate mainframe or minicomputer, enter it with your own staff. If this isn't feasible, then delay implementing the application until networks, operating systems and mainframe/minicomputer database management systems can support such applications.

While seeking applications in the management control area, remember Personal Business Computer Law #2: initially, stick to "high return-low risk" applications. The Law's Corollary #1 is equally pertinent: choose applications with a high ratio of thinking to typing, relatively small amounts of data and an opportunity to make non-routine judgments while using the computer.

Strategic Planning Applications

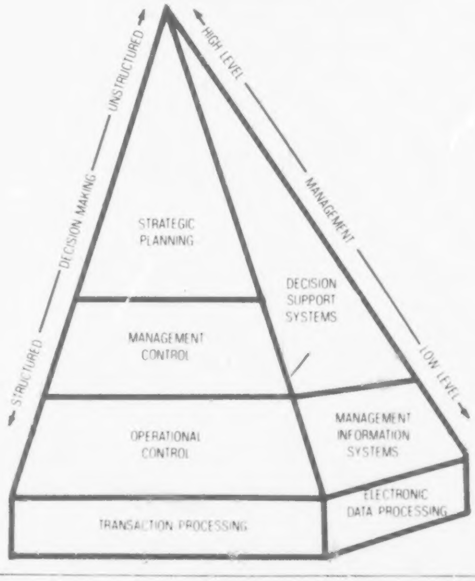
We have reached the top of the pyramid in Figure 2. This segment is the biggest in potential microcomputer applications. All the decisions and activities within strategic planning are top managements' responsibility.

Activities in this area include planning long-term financial objectives, evaluating marketing strategies, new customers and new product lines, and analyzing capital investments, branch expansions, acquisitions, and differing mixes of debts and equities.

Information requirements for top management often need to be ad hoc, flexible, and adaptable to

FIGURE 2

THE DECISION SUPPORT SYSTEM AS A PYRAMID



individual management styles. In contrast to "transaction processing," strategic planning activities don't occur daily or weekly; often they occur only occasionally or "as needed." Transaction processing follows rigid reporting formats—ledgers, income statements, balance sheets, sorted reports by salesperson or product line; therefore, data manipulation and reporting formats for strategic planning must be flexible and adaptable to fit the problem under review.

Information requirements in this segment of the pyramid are dictated by managers' decision styles and not by generally accepted accounting principles or audit trials. Top managers must be able to specify the necessary information for strategic decisions and receive them within a short response time.

What better way to do this then give top management a decision support tool and let them shape the information they need? In fact, applications in this area fall within the corollaries of Personal Business Microcomputing Law #2: a high ratio of thinking to typing, relatively small amounts of data and an opportunity to make non-routine judgments while using the computer.

A "high return" application in the strategic planning area is microcomputer-based financial planning or cash flow projections. Financial planning involves projecting proforma income statements and balance sheets into the future.

The planning period is usually three to five years annually or quarterly. The purpose of financial planning is, first, to see where your company is going (in terms of sales, profitability, asset management, debt/equity mix, and cash flow) and, second, to see what would happen if different directions were taken—in sales, gross profit, expense control, inventory policies, customer mix, credit and collection policies, etc.

Three classes of software are available for microcomputer-based financial planning: (1) "high level" financial planning languages such as Execucon's IFPS, (2) electronic spreadsheet programs such as Lotus 1-2-3, and (3) tailor-made software programs such as Value Inc.'s PLAN III.

"High level" languages are English-like language systems that allow you to express relationships using terms commonly associated with financial forecasting.

The advantage of such planning languages is their versatility; they can be used to represent complex relationships in your distribution business (e.g., complicated depreciation patterns, complex tax provisions, and unique forecasting logics) and produce custom reports beyond the standard projected income statements, balance sheets, and statement of changes in financial position. In fact, the languages can be used to express and solve problems in cash budgeting, capital investment analyzing, financial analyzing, as well as represent a variety of problems in sales or operations.

A high level language's power to express almost any business application, including financial planning, is at the same time an advantage and a disadvantage.

The disadvantage is you are dealing with a computer language: you must first learn the language and then relate it to your business problem. Although the programming language is English-like, it still has its own rules and syntax and a computer program must be written before using it.

The second alternative for microcomputer-based financial planning is to use one of the electronic spreadsheet programs on the market. Spreadsheet programs allow you to define your financial plan in columns (years of quarters) and rows (accounts on your financial statements), and then define forecasting patterns and logical relationships in those rows and columns.

Electronic spreadsheets also offer you a high degree of versatility; not only can you do long-term financial planning but also short-term cash budgeting, capital investment analyzing, and financial analyzing. The same spreadsheet program can be used for all management control applications—finance and accounting functions as well as sales, personnel management and operations.

There are a few disadvantages to using an electronic spreadsheet for financial planning. One disadvantage is the necessity of learning how to manipulate the spreadsheet itself, a process akin to programming, then actually having to build a financial model of your business. The building process involves defining an account chart for your forecasted financial statements, defining the logical relationships between and among accounts, and then expressing your forecasting logic in terms of rows and columns. You also have to define the types of reports you want but you can "program" almost any unique report you want into the spreadsheet.

The spreadsheet building process is a one-time process; in subsequent years you see the same spreadsheet while updating only the data. There is still a time investment up-front in learning and developing the "model"—a time and skill investment that you may not be able to make.

Other disadvantages involve some of the special nuances of financial planning and vary among the different spreadsheets available: it can be difficult or impossible to simultaneously balance the balance sheet and find interest on the amount needed to balance, to consolidate individual branch financial plans into an overall corporate plan, and to build-in "what if" menu prompts rather than have to go directly into the spreadsheet to make changes.

A final alternative for microcomputer financial planning is to use specially designed preprogrammed software. This alternative may be a "template" for an electronic spreadsheet program (e.g. a Lotus 1-2-3 template) or it may be a free standing program that does only financial planning (e.g. Value, Inc.'s PLAN III program).

The major advantage of this alternative is that you don't have to devote learning time or programming skills to the tool itself. You input your data and begin your initial financial plan and "what if" capability. All the relationships of proforma income statements and balance sheets are built into the template; all the forecasting logic methods are built-in—you select from those available; and all the reports are defined and presented to you for selection from a menu.

A sample "Summary Financing Page" from Value, Inc.'s PLAN III is shown in Figure 3. The company in Figure 3 is a hypothetical distribution firm, Triple-B Paper Distributors, Inc., that was used as a case company in an NPTA seminar on computer-based financial planning.

The top part of the Summary Page in Figure 3 shows Triple-B's forecasted sales, sales growth, and profits after taxes. The middle section shows the company's debt needed to balance the balance sheet and the additional interest expense on the debt. The lower section of the page shows the company's forecasted ratios based on forecasted financial statements (not shown).

For a paper distributor, the proforma financial data in Figure 3 would be compared to NPTA-Management Foresight *PAR Survey* to formulate additional "what if" runs. PAR goals that are both reachable and realistic would be tested and set. A final plan would be determined after repeated runs through the program, and then policies and practices would be implemented to manage the newly formulated plan.

Conclusion

This article started with the question: "Has the time arrived to buy a microcomputer for your business?".

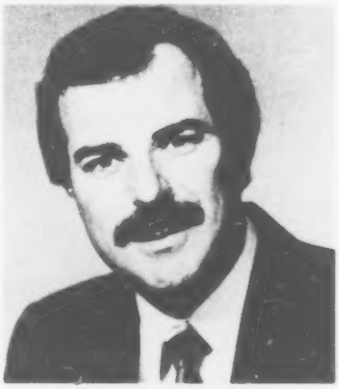
The answer to this question depends on identifying one or several "sure winner" applications in your business or area of management responsibility. This will require some learning time on your part—learning the basic capabilities of the machine and the software that runs it. After a short learning process, you'll then be prepared to fully apply the Decision Support Pyramid to your business.

You may believe that the tough questions generated by the microcomputer storm are what software programs and computer to buy. You should realize by now these really aren't the tough questions.

You will find the calm in the eye of the microcomputer storm after you've answered the applications question. The software and hardware answers flow directly from the microcomputer applications you identify within the Decision Support Pyramid and whether those applications are "high return" microcomputer applications.

The applications drive the software and hardware; if you identify an application and understand it well, then the software decision is a matter of matching what's available with your needs.

Always remember hardware is just a hunk of steel with chips on the inside; choose the hardware that will run the software that, in turn, you need to run your applications. It's only then that you will be able to harness the winds of microcomputer change.



Dr. Roger K. Harvey

Dr. Roger K. Harvey is Associate Professor of Finance, The Ohio State University, Columbus, and is also President of his own consulting firm, Value, Inc. Dr. Harvey engages in financial planning consultation and the valuation of closely-held corporations.

Figure 3

PLAN III FORECAST

TRIPLE-B PAPER DISTRIBUTORS FINANCING SUMMARY

(thousands)

	1984	1985	1986	1987	
NET SALES	4800.0	4800.0	5040.0	5544.0	
SALES GR RATE-%		.0	5.0	10.0	PROJECTED SALES & PROFITS
PROFIT AFT TAXES	-60.0	-107.8	-162.0	-117.9	
*** FUNDS SURPLUS ***					
NONE					
*** FUNDS NEEDED ***					
S.T. DEBT*	885.0	985.2	1272.8	1682.0	
INTEREST EXP ST*	130.0	147.8	165.5	185.0	
*** NET EXTERNAL FUNDS NEEDED ***					
ADD'L FUNDS GEN		.0	.0	.0	
ADD'L FUNDS NEED		985.3	1273.7	1682.7	
NET FUNDS NEEDED		985.3	1273.7	1682.7	
*** KEY RATIOS ***					
RET ON EQUITY-%	-8.16	-17.19	-34.84	-61.93	
RET ON ASSETS-%	-2.29	-4.12	-5.91	-5.96	
PROFIT MARGIN-%	-1.25	-2.25	-3.22	-3.21	PROFITABILITY RATIOS
GR PROF MARGIN-%	27.10	26.94	26.78	26.78	
OP EXP MARGIN-%	25.44	26.17	26.65	26.65	
SALES/ASSETS-X	1.83	1.83	1.84	1.86	
AVE INV TURN-X		2.88	3.07	3.14	ASSET MANAGEMENT RATIOS
END INV TURN-X	2.77	3.00	3.00	3.00	
COLLECTION PERIOD	60.83	61.00	61.00	61.00	
FIN LEV MPL-X	3.56	4.17	5.89	10.40	
DEBT/EQ RATIO-X	2.56	3.17	4.89	9.39	CAPITAL STRUCTURE RATIOS
TIMES INT EARN-X	.40	.08	-.27	-.27	
INT EXP MARGIN-%	3.12	3.47	3.62	3.61	
CURRENT RATIO-X	1.37	1.27	1.14	1.02	
QUICK RATIO-X	.52	.52	.47	.43	LIQUIDITY RATIOS
SALES/CASH+MKT-X	87.27	37.04	37.04	37.04	
DAYS PAYABLE OUT	59.59	70.00	65.00	60.00	

EVENTS

JANUARY

18. *Productive Opportunities For Paper Merchants, Los Angeles, Marriott Hotel, Los Angeles, CA. Contact NPTA.*

20-22. *Copier Industry: Winds of Change. Sheraton Royal Biscayne, Key Biscayne, FL. Contact IGC at 617-267-9425.*

25-27. *Tenth annual Graphics of the Americas Show, Miami Beach, FL. Contact Printing Industry of South Florida, Inc., 305-757-3334.*

28-31. *EXFOR '85, Pulp and Paper Equipment Show, Canada. Contact Canadian Pulp and Paper Association, 514-866-6621.*

PAPER MERCHANT SALES REPORT

NOVEMBER, 1984

NPTA Regions	Sales Per Selling Day November 1984 - Compared To - November 1983	Sales Per Selling Day November 1984 - Compared To - October 1984	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of November		Calendar Days' Cost* of Ending October Inventory	
				1983	1984	1983	1984
INDUSTRIAL							
1	+14.0	+ 5.4	− 2.1	43	44	—	—
2	+ 9.6	+ 0.0	+13.6	35	34	50	54
3	+ 9.9	+ 5.3	+16.7	37	38	59	60
4	+ 6.5	− 2.4	+12.0	35	34	51	55
5	+ 8.2	+ 2.0	+ 6.5	34	33	55	56
6	+ 3.6	+ 1.0	+11.7	32	38	—	—
7	+ 1.1	+ 8.9	− 5.4	38	41	—	52
NY Metro	+13.4	+11.6	− 1.7	45	46	—	—
Chicago Metro	+10.0	+ 6.7	+ 0.3	37	37	—	—
LA Metro	+ 9.9	+ 6.3	+10.8	46	51	50	44
US	**+ 8.3**	**+ 2.9**	**+ 7.7**	**37**	**39**	**60**	**54**
PRINTING							
1	+ 9.7	+ 9.4	+26.4	55	50	—	—
2	+ 4.1	+ 1.8	+18.1	47	46	61	60
3	+12.9	+ 0.5	+24.3	44	44	73	69
4	+15.7	+ 0.5	+18.9	44	44	67	60
5	+ 6.5	− 6.9	+16.4	44	38	70	70
6	+12.3	+ 4.4	+11.3	48	39	—	—
7	+18.0	− 6.6	+16.8	41	41	79	66
NY Metro	+10.9	+ 3.8	+27.7	44	40	—	—
Chicago Metro	+21.3	+10.3	+28.2	43	42	—	—
LA Metro	+14.4	+ 4.5	+17.1	39	44	68	75
US	**+12.0**	**+ 0.8**	**+20.3**	**45**	**43**	**59**	**66**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

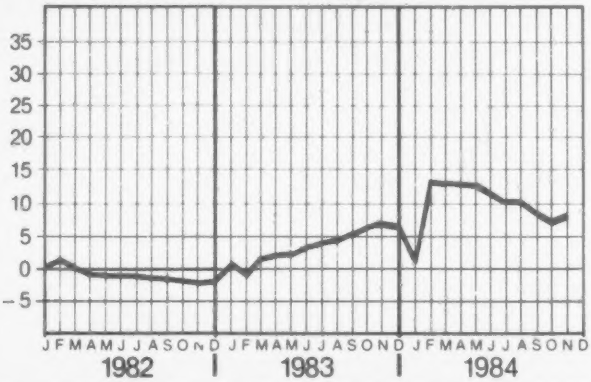
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1982 TO PRESENT

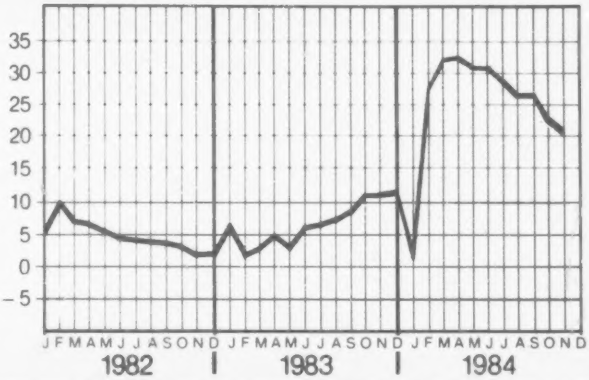
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



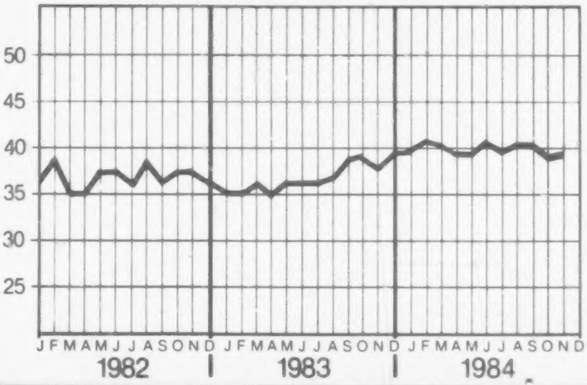
PRINTING PAPER SALES NATIONALLY



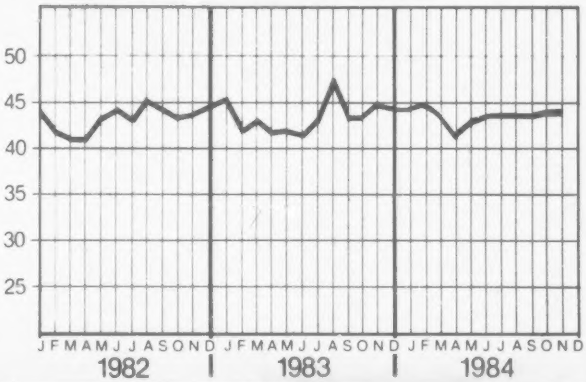
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



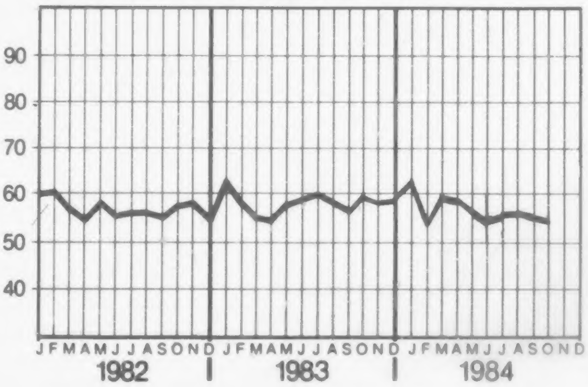
PRINTING PAPER RECEIVABLES NATIONALLY



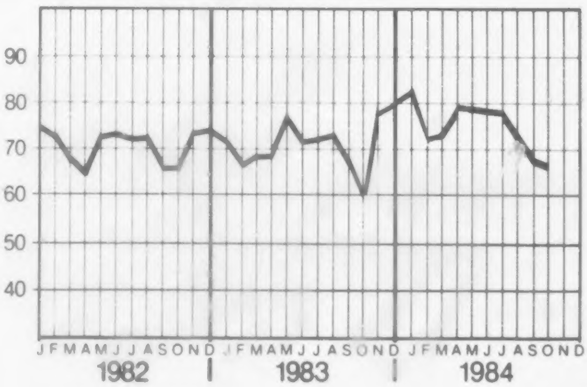
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



DIXIE/MARATHON
PRIME MILL RUN
MARATHON TOWELS

OUR FLEXIBLE SHIPPING SYSTEM DELIVERS MORE PROFIT.

With Dixie/Marathon, you can pick and choose the way you want product delivered. Whatever helps you turn your inventory most profitably.

Would a mixed order of foodservice and sanitary items give you faster turns? OK. We'll send it all at once from a combined shipment center.

Or maybe a large shipment, straight from the mill, would save you more.

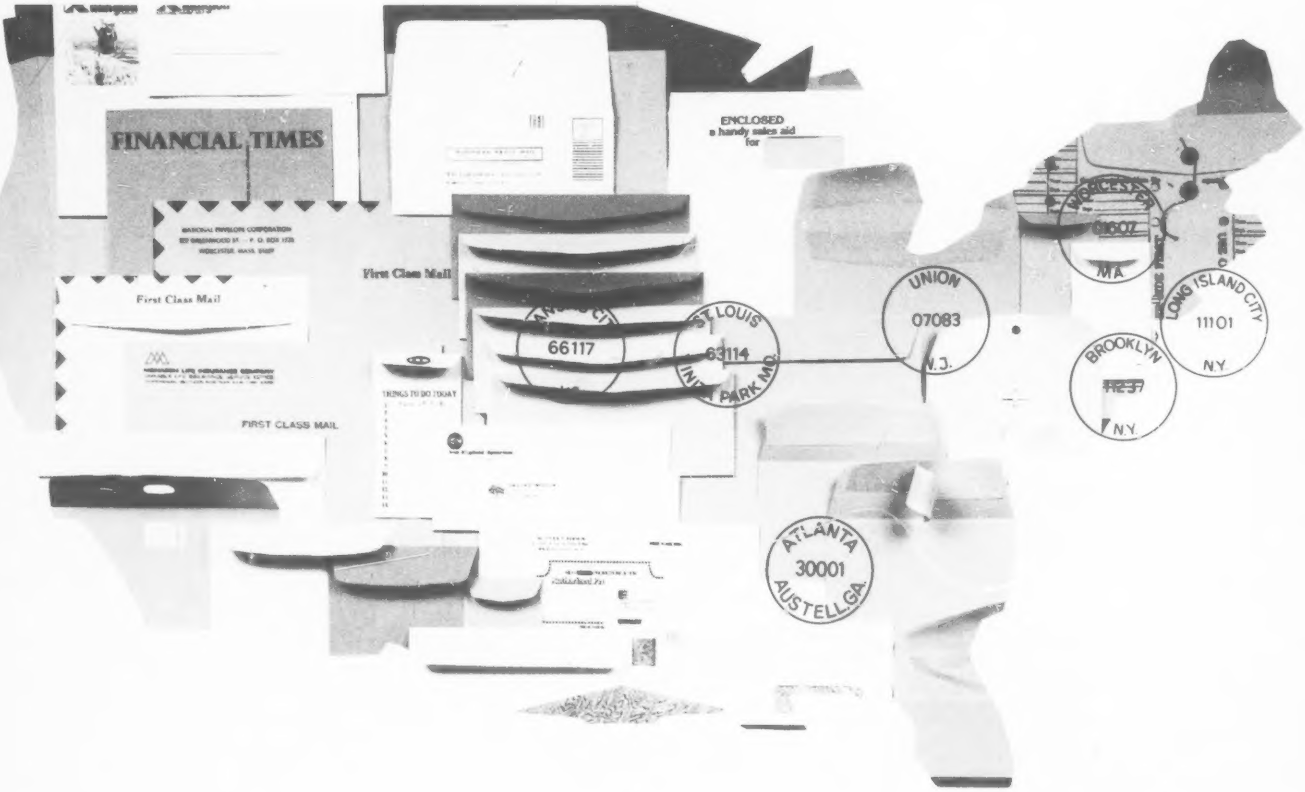
Either way, we have a remarkable record for accurate, on-time delivery. And you have the industry's broadest line of disposables to choose from.

What you want, where you want it, all at once: Nobody works harder to help you turn your inventory more profitably. See your Dixie/Marathon representative for details.

JAMES RIVER CORPORATION
DIXIE MARATHON® PRODUCTS

Who but National Envelope offers so many styles, in such large quantities, yet warehoused in so many locations?

and who but National Envelope sells only to you . . . not to your customers?


FINANCIAL TIMES
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FIRST CLASS MAIL
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LONG ISLAND CITY 11101 N.Y.
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ATLANTA 30001 AUSTELL, GA.

Grow with the New York/National Envelope Group

New York Envelope Corp., Long Island City, NY 11101, 212-786-0300, 800-221-9551.
Envelope Convertors, Inc., Brooklyn, NY 11237, 212-386-6000, 800-221-0605.
Champion Envelope Corp., Union, NJ 07083, 201-353-8100, 800-526-6829.
National Envelope Corp., Worcester, MA 01607, Box 1728, 617-798-8711 TWX 710-340-0215.
Austell (Atlanta), GA 30001, 404-944-3322, 800-241-8173. TWX 810-766-3941.
Kansas City, KS 66117, 913-621-5524, 800-255-6288 TWX 910-743-0022.
Vinita Park (St. Louis), MO 63114, 314-423-6700, 800-325-0002 TWX 910-765-0943.

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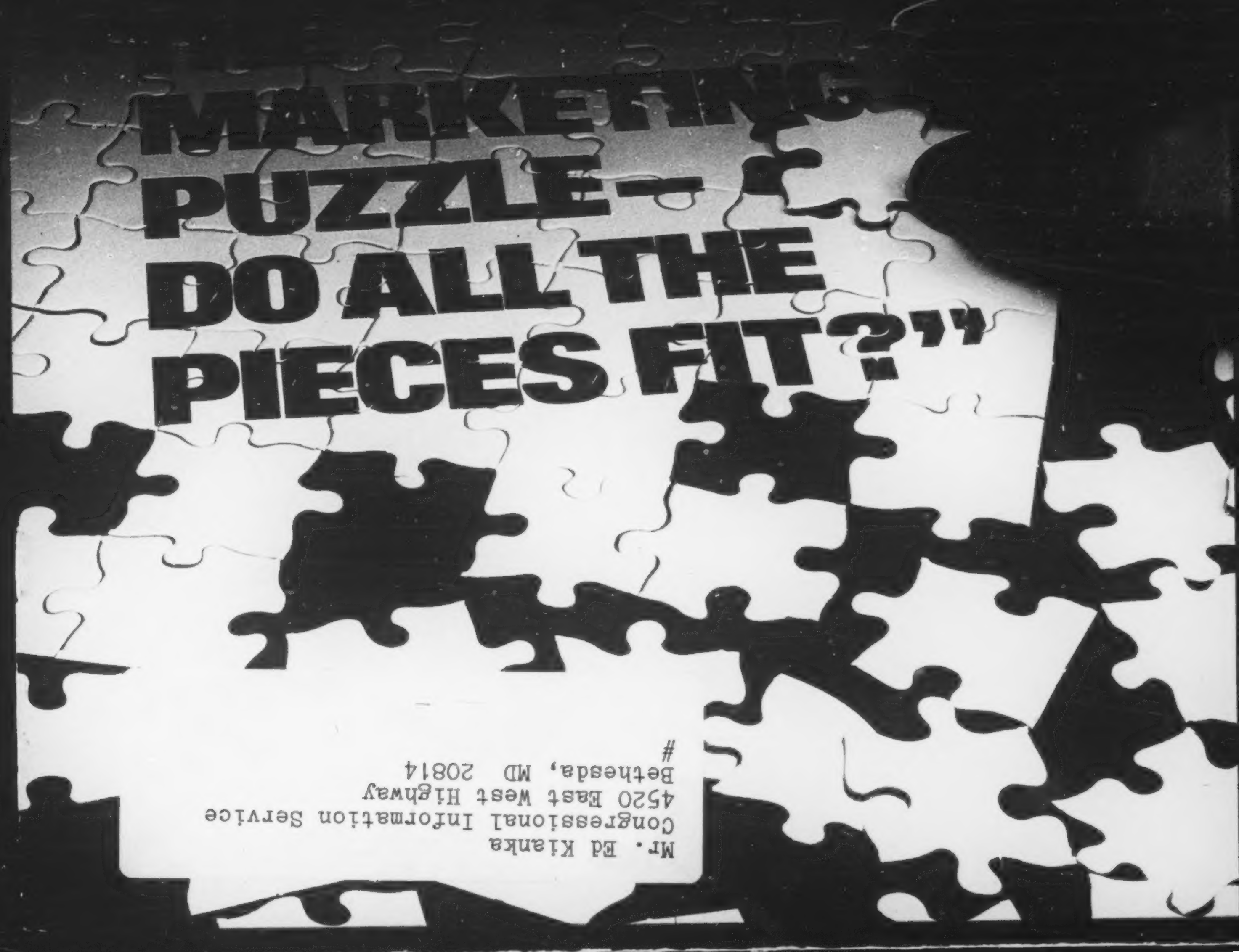
NPTA MANAGEMENT NEWS

MN

FEBRUARY 1985

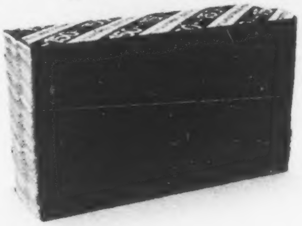


MARKETING PUZZLE— DO ALL THE PIECES FIT?”

Mr. Ed Kianka
Congressional Information Service
4520 East West Highway
Bethesda, MD 20814
#

What's behind a Scott distributor's smile?

Confidence. The unshakable kind of confidence that comes only with being a leader. By offering products with unique qualities, real benefits not available anywhere else. American business is demanding more quality and value for its money, so he's never been in a better position. His customers have grown to expect the best from him, and he has the "bests" to give them. That keeps him smiling.



Brand 150 C-Folds: First for more than 70 years. *One look will tell you why. One use will show you how. Those little bumps are Scott's Perf-Embossed® finish which exposes more drying fibers, creating an unusually high capacity to hold water. Soft. Strong. Absorbent. This towel can do it all. And people notice the personal luxury of getting their own towel. They notice the name Scott proudly embossed on each one. Brand 150 C-Folds present a first-class prestige image to users. That's value. No wonder it's been one of the world's best selling towels for so long.*

WypAll: America's #1 all-purpose wiper. *A big, hefty wiper that works harder and costs less to use than shop towel rentals or rags. WypAll soaks up oils and fluids fast. Each WypAll is soft, clean, and new. No chips, chemicals or odors from previous users. WypAll also saves customers money by eliminating replacement and damage charges. Cost and performance. That's why WypAll and WypAll Blue are preferred by more people, in more industries, than any other disposable wiper.*

Brand 111 Hard Roll Towel: Rapidly becoming a best seller for washrooms everywhere. *Strong. Thirsty. Perf-Embossed.® Everything your customers ever wanted in a hard roll towel. And more. Perfect for industrial situations where frequent wash ups are the rule. Combine with Scott automatic roll changing cabinets, and you can offer even more value for the money by eliminating stub roll waste. It doesn't get much better than that.*

Scott Industry Bundles: A market exclusive. *A constantly updated selection of preferred products tailored to both general and specific market needs. Complementary products for one-stop shopping. Products that deliver more quality and value in a single market bundle than any other. But you expect that from Scott.*

INDEPENDENT DISTRIBUTOR SCOTT

The Scott Commitment: The best value products available only through independent merchants. *To begin with, we're very selective about who we choose to become a Scott distributor. Because, once selected, we're committed to working together very closely; to doing everything we can to make it a mutually beneficial relationship. It's the kind of commitment that comes only from a company that's been in the business for over a hundred years. And it's working very nicely, thank you.*

Say cheese.

SCOTT A HOUSEHOLD NAME, AT WORK.

© 1984 Scott Paper Company

NPTA

YOUNG EXECUTIVES FORUM

The Inaugural

MID-YEAR EXECUTIVE CONFERENCE

MARCH 22–24, 1985 THE INNSBROOK RESORT, TARPON SPRINGS, FLORIDA

The Young Executives Forum, in cooperation with the faculty of Miami University, Oxford, Ohio is pleased to present a three-day Conference. Three educational sessions are scheduled:

Strategic Management for Growth

Excellence in Management—

FOCUSING ON THE NEED TO DEVELOP A STRONG ORGANIZATIONAL STRUCTURE AND THE KEYS TO MANAGING CHANGE

The Challenge of Change

An executive Conference featuring educational sessions and recreational and social activities for young industry leaders who are under 40 years of age and in a decision making/policy making position and their spouses.

Space is reserved for 30. You must register by **February 28, 1985.**

EDUCATION AND TRAINING DEPARTMENT

NATIONAL PAPER TRADE ASSOCIATION, INC.

516-829-3070

NPTA MANAGEMENT NEWS

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In marketing, each piece of the puzzle is important to the final result.

Cover Photo
Richard J. Chesnut

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18 **Measuring Profitability: Beyond Turn & Earn**
by Peter L. Mullins, Ph.D.
Marketing requires an understanding of both customer and product line profitability. In this excerpt from Peter Mullins new book **Measuring Customer and Product Line Profitability**, he explores new approaches for the wholesaler.

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by Michael Ibison
Telemarketing can be a very effective tool for the paper merchant. The establishment of such an operation requires a management commitment. If a telemarketing program is to succeed, management must thoroughly understand its principles.

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VIRGINIA PAPER RESTRUCTURES OPERATION

The Virginia Paper Company, a division of the Crown Zellerbach Corporation, has announced a major restructure of its operations as a result of its rapid growth in the South and Southeast.

The company's top management, with input from the field, developed an optimistic long range strategic plan. From this evolved a new organizational structure with flexibility and sensitivity to their changing market environment.

The new structure divides the company into two major regions each headed by a new regional manager. The Central Region includes Maryland, Virginia and the Carolinas. Michael L. Allen will guide the Central Region and David G. Boynton will be responsible for the Southern Region which will include Georgia, Arkansas, Alabama, Louisiana, and Florida.

James. S. Hunter, president of Virginia Paper, said, "These two managers together with myself will form a true top management team dedicated to more attention to individual branches and further growth." Also included in the reorganization are a dozen other management changes.

IP AWARDS GRANT TO SALES FOUNDATION

A $350,000 endowment has been made by the International Paper Company to the Graphic Arts Sales Foundation. The money will be used by GASF for the training of graphic arts sales and service people.

"Professional selling promotes growth, and that's good for all of us," said William Pollert, director of sales and marketing for IP's White Papers Group. GASF president, Stan Anglen, said in response, "IP has taken the lead in promoting a program that will support growth for the whole industry."

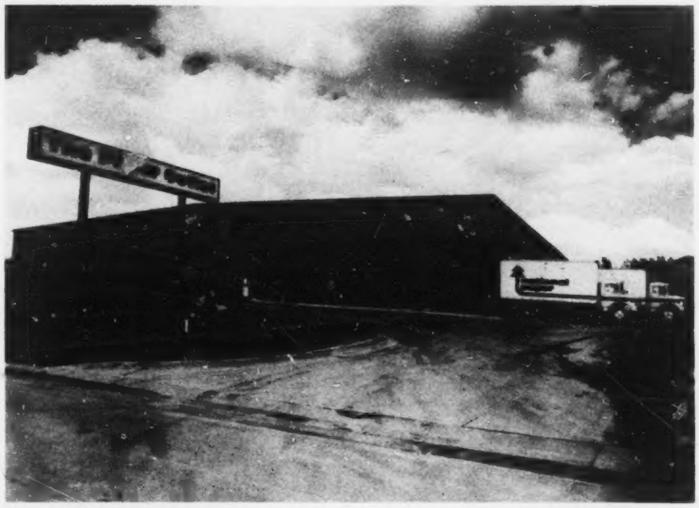
PAPER COMPANIES WILL INCREASE SPENDING ON ADVERTISING THIS YEAR

According to a forecast done by Bernard P. Gallagher for the *Gallagher Report*, paper and packaging companies will spend approximately 9.9% more on advertising in 1985. The "23rd Annual Industrial Advertising Budget" survey revealed that paper industry growth is expected to be 2.6%.

Paper companies polled stated that 28 cents of each ad dollar is spent on institutional advertising (as opposed to product advertising) and on average, the total advertising budget is about one-tenth of one percent of gross sales.

Although "advertising" is the category, promotion makes up a significant portion of the budget allocations. Actually it's nearly half-and-half with advertising taking 59% of the money spent. Where is the advertising dollar being spent? 60-70% of it is used to purchase space advertising in trade publications, and 10-15% in directories.

NEW OFFICES FOR NATIONAL PAPER IN OMAHA



The corporate offices and warehouse of National Paper Company, Inc. of Omaha, NE is now located at 2511 South 156 Circle in the Horizon West Industrial Park. The facility encloses 660,000 cubic feet of space utilizing an elevated storage system and narrow aisle handling equipment.

TWO FIRMS RECEIVE MEMBERSHIP IN NPTA

The National Paper Trade Association welcomes these two firms to the ranks of its membership:

Communication Paper Corporation
1845 New Highway
Farmingdale, NY 11735
Stephen E. Obletz, President
established: 1973
location: 1
type: printing

Richard Bauer & Co., Inc.
627 West 42nd Street
New York, NY 11238
Joseph Hofheimer, President
established: 1916
location: 1
type: dual

HUDSON CITY WILL HAVE NEW FACILITY

Hudson City Paper Company located in Wallington, NJ has broken ground on a new 50,000+ square foot warehouse and office complex in West Caldwell, NJ. The new building will be ready in July.

The new facility, which will double the space the company now has, will help them to serve the graphic arts market in the New York metropolitan area more efficiently.

SUN CITY PAPER GROUP ELECTS OFFICERS

Joseph Thomas, formerly with S.D. Warren, has been elected president of the Sun City Paper Group, an organization of retired industry people in Sun City, AZ. Thomas succeeds Reiny Vogt who was with NCR Appleton Paper Company.

Al Howells, formerly with the Institute of Paper Chemistry, follows Thomas as vice president, Ruth Jameson who was with Weyerhaeuser, was reelected treasurer.

The Sun City Paper Group is composed of residents of Sun City, Sun City West and environs who are currently or were formerly associated with the paper industry in either the manufacturer, converting, wholesaling or allied segment. Anyone interested in finding out more about the Sun City Paper Group should contact: L.Q. Yowell, 9407 Hidden Valley Circle, Sun City, AZ 85351.

CHAMPION PLANS NEW PAPER MACHINE

Champion International has a pulp mill under construction in Michigan and has now decided to place an order for an uncoated paper machine to be installed at the site. The company will use the machine to manufacture 500-600 tons per day of business papers and computer forms.

It will take about two years to build and start-up is scheduled for the end of 1987. The pulp operation will begin early next year.

IP WILL CONVERT MILL

The International Paper Company said that it will spend over $200 million to convert an idle newsprint machine to coated publications grade paper. The mill is located in Pine Bluff, AZ.

After conversion, the mill will produce approximately 200,000 tons of coated paper a year after its completion in the second half of 1986.

HAMMERMILL LAUNCHES NEW COMMUNICATIONS SYSTEM

Hammermill Paper Group recently announced that its new electronic communication system, HAL (Hammermill Access Link), is now operational throughout the New York metropolitan area.

A paper industry first, this electronic communication system presently links Hammermill's New York area paper merchants directly to the company's computer in Erie, PA.

Merchants, both large and small, receive better and faster service with the potential for errors greatly reduced. These merchants can, by accessing Hammermill's computer, make stock and special order inquiries, look up order and shipping status information, and actually place orders without a telephone.

Because the Hammermill computer communicates on a real-time basis, information about the more than 1200 stock items—cartons, rolls, and skids—manufactured and warehoused at the company's Erie, Lock Haven, and Oswego mills will be precise and up-to-date.

This time-saving marketing tool will soon be made available to Hammermill merchants in other areas of the United States. The company is working to complete all HAL installations and expects other regions to come on-line in the near future.

PEOPLE IN THE NEWS

Richard D. Childers has been appointed president of the CDA Distributors Division of the Hammermill Paper Company.

Bruce Brydon has been appointed president and chief operating officer of Coast Alberta Papers in Western Canada.

Franklin D. Rogers has joined Nationwide Papers headquarters in Stamford, CT as director of marketing-industrial products. **John P. O'Reilly** has become sales manager and **Robert L. Arndt** was named administrative manager of the company's Milwaukee operation.

Ronald C. Esper has been promoted to executive vice president of the Morris Paper Company, Pittsburgh, PA.

Ronald G. Hilton has been named treasurer and assistant secretary of Inlander-Steindler Paper Company headquarters in Elk Grove Village, IL. **James E. Bliler** has been promoted to branch manager of the South Bend, IN operation.

James Lyngholm has become executive vice president of the Leslie Paper Company, Minneapolis, MN. **Barry Smith** was named vice president and manager of the Minn-Dak operations. **Howard Hanson** has become vice president for operations, **James Jahnke** was named vice president for merchandising, **Bruce Mitchell** has been named vice president and manager of the Dallas region and **Thomas Peifer** was promoted to vice president and manager of the IA-IL region.

John W. Turner was elected president of Appleton Papers, Inc. **Dale H. Schumaker** was named executive vice president and **Daniel W. McIntosh** has become vice president-marketing and sales.

Russell Vannatta has been elected president of Lawrence Paperboard Corporation. He will also remain president of Harriman Paperboard.

Robert F. Meyer was named executive vice president of the Hammermill Paper Company. **Ronald A. Faster** has become vice president-sales and succeeds **Warren Omark** who has retired.

Ernest A. Harvey was named executive vice president Paper Group of the Little Rapids Corporation.

Doug Cottrell has been promoted to sales development manager in the Roll Products Division of MACtac.

Joseph S. Druth, an industry pioneer and founder of Druth Packaging, died on November 16, 1984 one month before his 83rd birthday.

John H. DeVitt, former chairman, president and CEO of the Hammermill Paper Company, passed away at the age of 81. He spent 53 years with the company.

Edwin W. Wesselmann, former chairman of The Diem & Wing Paper Company, Cincinnati, OH, passed away January 5, 1985 at the age of 84.

GOAL IN SIGHT FOR RESEARCH CHAIR:

The Paper and Plastics Education Research (PAPER) Foundation is three-quarters of its way to reaching its goal of $1 million to endow a research chair. Although the Foundation is in its infancy, this first, major, industry-wide project has met with a great deal of enthusiasm.

At this writing, $750,000 has been either collected or pledged to support the endowed research chair at the University of North Florida in Jacksonville. NPTA has contributed $100,000 to this endeavor. The money collected from the paper merchant community stands as a testimonial to the research commitment of this industry.

"Fund raising for the Endowed Chair is now moving into high gear," said John J. Buckley, Jr., president of NPTA. "We have asked our member companies to pledge the equivalent of one-half of their annual dues to this project. All members have to do is check off a box on their NPTA dues invoice and we will bill them one-third of the amount each year for the next three years."

Seven companies have joined the Founders Club by pledging $30,000 each. These are:

- Champion International
- Crown Zellerbach Corp.
- Hammermill Foundation
- Kirk Paper Company
- K.H. Landsberg Division of Sunclipse, Inc.
- Unijax Inc.
- The Unisource Corporation

Research Is A Real Need

Wholesale distribution is undergoing major changes: the impact of technological developments in electronics and physical distribution, changing company sizes and patterns of distribution. All are affecting the merchandising of paper and allied products. In addition, general economic and product trends, governmental edicts and evolving employee human resource expectations are altering the future of paper distribution.

All of these issues and others can be studied by the Endowed Chair Program. There will be an ongoing need to initiate research in these areas and the probability that specific issues will be revisited periodically. Educators and academicians with strong reputations in their fields will study the subjects from a paper distribution point of view.

The driving force behind the Endowed Chair will be the Trustees of the PAPER Foundation. This group of industry leaders and academicians will use their knowledge of the industry and general business acumen to insure relevant subjects will be treated in a meaningful and timely way.

Why An Endowed Chair?

There are several advantages of an Endowed Chair concept for conducting research.

I. Top quality academicians will be attracted to conduct research bringing years of experience, background and knowledge with them.

II. The resources of a university (reference libraries, computerization, graduate assistants, pooled academic knowledge, etc.) can be harnessed for a project.

III. All of the above mentioned resources can be used at a cost that is much less than that of professional consultants.

IV. A one-time payment to set up the Chair creates an ongoing income stream. Once paid, there will be no break in the cycle of meaningful projects in search of funding. It will allow a majority of research time on the part of sponsoring organizations to be spent on managing the research and not fund raising.

V. A regular stream of income will also allow for better planning of the effort. The Foundation can take on projects based on its regular budget.

How Will The Endowed Chair Work?

The Board of Trustees of the PAPER Foundation will decide the research agenda of the overall Foundation, which involves the Endowed Chair. The Trustees will consist of a total of 12 individuals from the mill and merchant side of the industry and two University of North Florida faculty members, as well as a business research expert.

The Trustees will recommend projects to be accomplished in the Endowed Chair Program. The two faculty members on the board will be responsible to contact a number of eminent scholars in the subject areas and recommend to the Trustees their choice for the scholar who will conduct the research.

The eminent scholar will implement the research on an agreed schedule. Research projects will take 6-18 months to complete.

By definition, the eminent scholar invited to conduct research on paper distribution topics cannot come from the existing faculty of the University of North Florida.

This system gives the Trustees of the Foundation control over the selection of topics and the process of the research effort. By choosing eminent scholars on a project-by-project basis, an energetic scholar will be assured for each subject.

It is estimated that the time from Trustee selection of a project to the selection of a scholar and initiation of the work will be approximately one year.

Research Projects

What Kinds of Specific Research Projects Can Be Expected?

The core areas of successful paper distribution are economic/financial, marketing/sales, management and operations. All can be studied by the Endowed Chair. Potential subjects may include:

ECONOMIC/FINANCIAL

The development of an economic model for predicting the sales of various products by paper distributors under varying business conditions.

The development of models to determine customer and product line profitability.

The development of new sales forecasting models and tools.

The development of a paper distribution profitability model.

MARKETING/SALES

The study of the market potential and product life cycle of products sold by paper distributors.

A study of the effects of demographic and geographic changes in products sold by paper distributors.

An investigation of the motivation, compensation and management plans that would improve productivity of the sales force.

MANAGEMENT

Development of a number of merchant

FOUNDATION OFF TO GREAT START

firm organization plans influenced by company size, location and product mix.

Determination of the optimum size of a merchant firm or branch office.

Development of strategies for effective team building to obtain maximum company productivity.

Creation of various company and department productivity improvement plans.

Development of compensation programs for all employees to improve motivation and productivity.

Benefits

What Will the Benefits be to the Paper Distribution Industry?

Several benefits will be derived that make the Endowed Chair program a meaningful endeavor.

- Industry efficiency and productivity will be improved by implementation of the research results.
- The industry will be in a position to handle changes occurring in a logical, patterned way. The industry would be able to anticipate change, and not just react to it.
- The results of the research will cause a general increase in the level of professionalism and sophistication of the paper distribution industry.

In addition to the informational benefits derived, there are a few less defined benefits:

- The paper distribution industry, by embracing this concept, will be unique. No other wholesale industry has made such an effort to study and research its trade. There are only a handful of industries in the entire economy that have Endowed Research Chair programs.
- This project will also increase academic and university understanding of paper distribution. There will be a "ripple effect." A body of knowledge is being created. This in turn will generate other direct and indirect research on the paper industry. Case studies, classroom discussions and projects for use by students will be developed.

  This will result in a better image and understanding of the industry by future business leaders. This is an extremely desirable by-product of the industry's support.

How Will Individual Firms Benefit?

The primary purpose of the Endowed Chair is to provide information that individual firms can implement in their own company operations.

The Chair will produce computer models, publications, video programs, articles and presentations that will be geared to answering specific industry and company questions. In addition to the published material that is generated, there is usually a great deal of information that cannot be published due to space limitations. This information will be available on a request basis. Hence, a data base will be created.

Individual company questions can also be answered by the eminent scholars and there is the possibility of individual consulting arrangements. This would be at an additional cost, but at a cost much less than that of professional consulting firms.

In addition to a reasonable fee, the eminent scholar consultant will be well versed in paper distribution and related subjects. He will be able to make a contribution to a firm much more quickly than other consultants who are knowledgeable in their fields, but are not familiar with paper distribution.

Another benefit to individual firms will be a reduction of the "re-inventing the wheel syndrome." While certain types of information are proprietary in nature and should not be shared, there are other kinds of information on trends and developments that can be developed collectively that will be of benefit to an individual firm.

For example, a report on new trends in warehouse design need not be developed and paid for by an individual company. The implementation of the findings, however, is up to the individual company.

Eminent scholars would also be available for individual company presentations to managers, employees and customers. The use of such specialists becomes cost-effective for the first time. To develop this kind of resource on an individual company basis would be economically impossible.

Why University of North Florida?

Wholesale distribution is the third largest employer in the State of Florida. As a result, the State is putting a major emphasis on distribution in its state universities.

In addition to the funding of an Endowed Research Chair in Paper Wholesaling, the University of North Florida is setting up a separate entity at the university to study wholesale distribution, The Center for Education and Research in Wholesaling.

The specific strengths of the University of North Florida at Jacksonville are many. As a research facility, it is outstanding. The complete full service library has 500,000 volumes. As part of the FOCUS library system tying in with 9 other campuses of the university system, this library has access within 1-2 days to 3 million titles. It is the best library in the system.

Over 90% of the faculty have Ph.D.s and both the Bachelor and Masters programs are fully accredited.

All reports indicate that the State of Florida will continue to grow as an economic and cultural center. The reputation of the University system continues to be strong. The PAPER Foundation has the opportunity to participate in that growth with a university that has a desire to learn and the ability to increase its knowledge of the paper distribution industry.

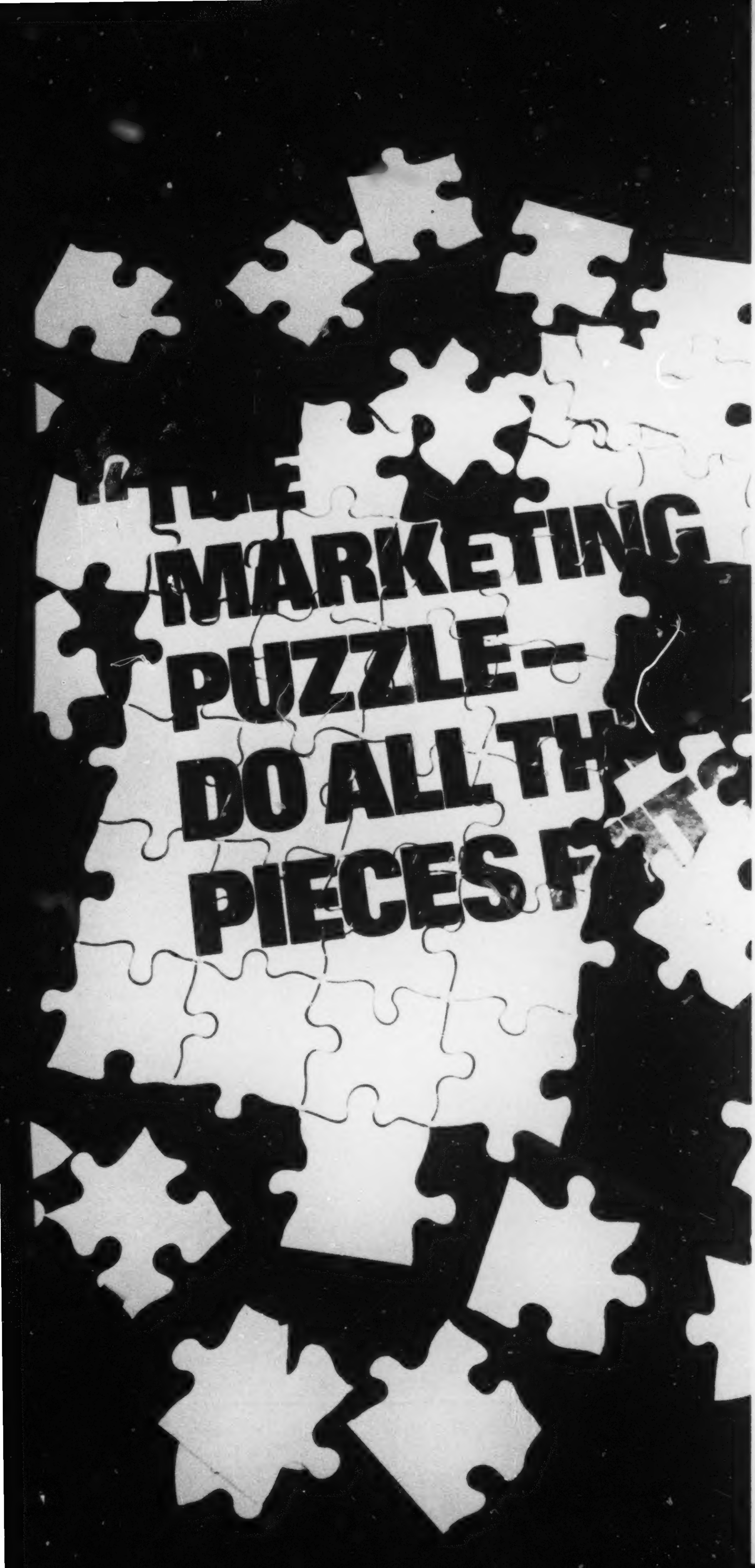
Financial Considerations

There is a tremendous multiplier effect for an individual firm contribution to the Endowed Chair. By raising $1 million once, the industry generates a research income stream annually of $100,000-$125,000. No other fund raising will be needed in the future.

The State of Florida, through special legislative action, has pledged $400,000. In addition, NPTA has contributed $100,000 to the effort already. The remainder will be raised from paper merchants and mills involved in the distribution of paper, plastics and allied products.

The support of all companies is vitally needed. While $1 million may appear to be a great deal of money, the industry is only paying 50 cents on the dollar.

If you need more information on this program or would like to discuss the issues further, please feel free to contact John J. Buckley, Jr., President, National Paper Trade Association, 111 Great Neck Road, Great Neck, NY 11021 (516) 829-3070.



THE MARKETING MANDATE:

The distribution business of today and tomorrow promises to be far different from that of the past. Both customers and manufacturers expect more from their distributors. Your expectations of co-workers and associates are probably far greater today than ever before. In fact, in today's service-oriented world, we all have higher expectations of each other.

Unfortunately, these expectations often are not fulfilled, and we find ourselves frustrated—unable to find companies and people willing to live up to the promises they make.

When was the last time you were impressed with the service or attention you received from a department store, a supermarket, or a "service" station? In a world where we expect—and frequently need—more service, it seems that we are getting less and less. Most of us have seen the Maytag TV commercial showing the lonely service man for Maytag: the poor guy has such a superior product to service that it rarely needs attention. And the commercial would have us believe that if we ever *did* need service on a Maytag appliance, it would be so good that the lonely service person would not have to visit but once to solve the problem.

What a wonderful world it would be if every company took a close look at its service obligations and put together a responsive and friendly approach for taking care of its customers. Think about how many companies you deal with as a consumer, that are really in tune with your needs, and that sincerely attempt to serve you well. It is highly likely that you can tell me the names of your favorites without even having to think about it—and I suspect that you can name only a few that are really tops.

What is it about these companies that makes you want to do business with them? Incidentally, this applies not only to stores, but also to doctors and dentists, schools and beauty shops, transportation services and building contractors. What is it that distinguishes top-notch organizations from the rest of the pack? Is it their advertising and promotional materials, their attractive buildings and facilities, or their people and their attitudes toward you? Is it their promises, or their ability to deliver on those promises?

We all know the answers to these questions. . . and so too, does every consumer. The answer is simply this: the best outfits are those in tune with customer needs. They place *by Denis F. Healy, Ph.D.*

EXCELLENCE IN CUSTOMER SERVICE

the customer in the driver's seat rather than themselves. They develop a style and a service approach on which we can depend, and in which people throughout the organization can take pride. These organizations are committed to excellence and to delivering real value to the customer. Yet the principles upon which these companies are built are not complex. In fact, they are almost childlike in their simplicity.

The most fundamental principle is that every organization—from police department to hospital to paper distributor—is a service organization. We all earn our livings by rendering services to others. If the quality and consistency of the service we give is high, everyone benefits, including us. If the service is not that great, then sooner or later someone becomes disappointed, dissatisfied, disgruntled, or sometimes damned upset!

Service is the key. It is performance—not promises—that counts. And who decides whether the service was excellent, acceptable or poor? Not the one who gives the service, but the one who receives it. The final judge is the customer who compares one organization with another based more on service factors than merely on the products that are offered. This principle is simple yet so subtle.

This is something we have all known about since childhood. A service orientation is essential to the survival and health of all kinds of businesses, and wholesale distribution is hardly an exception. But rather than merely emphasize the obvious, we need to address the need for all of us to meet our service obligations to customers, suppliers and personnel.

In order to do this, people within an organization must commit themselves to deliver the highest and most consistent level of service they can: performance—not just promises; pride—not just plodding; persistance—not just pressure. The commitment cannot be made without the people. If people within the organization don't acknowledge the importance of the service orientation, the promise will be unfulfilled and it will be business as usual.

Can the McDonald's slogan, "we do it all for you," become part of a mindset, an attitude, an overall commitment? In order for this to happen, the individuals within an organization must be on board with the service orientation; they must be willing to work as a team both within the company and in partnership with customers and suppliers. Otherwise, the service orientation will be nothing more than empty words in a corporate document tacked to some unnoticed bulletin board in your branch.

It is appropriate here to talk about what is happening in industry, and to examine the criteria that must exist if companies are to achieve their commitment to service and excellence. This is a time to prepare for future achievements in the process of making the service promise a reality in individual jobs as well as in the company as a whole. This is not a time for administering pledges—pledges are no stronger than the feelings behind them. Rather, we need to explore some of the benefits to be derived from a commitment to high levels of service.

A conversation I had with one of my first clients comes to mind: he had heard me speak at a business meeting and he called me to discuss his customers and his personnel. He wanted to be more responsive to customer needs, and to help people be more effective and better motivated in their work. Never once did we talk about the company or corporate this or that. We discussed people, their needs, expectations, attitudes, skills, management styles, staffing. All about people.

At the time, it didn't occur to me that this individual was trying to focus on service issues. Without putting a label on it, he was trying to make his outfit the best in customer service in the industry. But he had focused on the critical element in making it happen: PEOPLE!

> *Never once did we talk about the company, or corporate this or that. We discussed people...*

Recently, an associate and I completed an extensive study of growth strategies in wholesale distribution for the National Association of Wholesaler-Distributors and a study of the paper distribution industry. One of our most important findings was that wholesale distribution is going through a remarkable set of changes in terms of expectations by both customers and suppliers. Let me just say this: *the future ain't what it used to be*. Across distribution, whether electrical, electronics, paper or food, the distributor must become more responsive to service expectations of both customers and suppliers to remain strong and profitable.

In many industries, the demands are increasing on all fronts: new products incorporating technological advances are entering the marketplace at the speed of light; customers and suppliers are talking about direct, on-line order entry systems; suppliers are expecting distributors to assume a larger share of the marketing and selling responsibilities; and competitors are becoming stronger and more service-oriented themselves. Wholesalers must examine their obligations to those they serve and review their commitment to excellence as distribution businesses. They must think of themselves as service businesses.

Wholesale distribution is going through a remarkable set of changes in terms of expectations.

What does this commitment to excellence really mean? And how does it happen? Here are a few brief observations about these questions:

Last year, for the first time ever, a book on management topped the non-fiction best-seller list for several months. The title, *In Search of Excellence* captured its essence. The authors reported the results of their study of leading American companies that had achieved high levels of financial and overall business performance during the past decade. The researchers were intent on finding out what made these companies stand out from all the rest. Was it the industry they served that made the difference? Was it some secret ingredient in the products they sold? Or was it something about the way the company was managed and about the approach of its employees? As you might expect from my previous remarks, the factors distinguishing these companies were management style and the employees' attitudes toward the customer and the company.

Here is what the "Excellence" study revealed: companies as different as Delta Airlines and 3M, or Proctor & Gamble and McDonald's were quite similar in company philosophy and management values. In each excellent company, there were eight common characteristics to which the management and employees were committed. Just as with the service orientation concept, these characteristics are surprisingly simple.

Let me highlight these characteristics and offer some observations on how these apply to the wholesale distribution industry.

First, in the excellent companies, there is an emphasis on action—on making things happen. Decisions are made in a timely fashion without unnecessary delays or fanfare. When something needs to be done, it doesn't take an act of Congress or five committees to get things moving. People know their jobs and where to turn for help. They don't waste time trying to figure out what to do or how to do it.

How does this apply to wholesale distribution? Distributors are always on the firing line. Customers expect a distributor to have all the answers and materials they need. There are frequent emergency situations, or times when a response delay can hold up a production line or a job progress. The availability of a $5 fuse or a $3000 motor control can sometimes make the difference in a tight situation. The ability to take action, to make prompt and knowledgeable decisions in these situations is crucial to any wholesaler's market position.

So, to put the service orientation into place, it is necessary to ask yourself: can I—can we—act swiftly and decisively when necessary? If the answer is no, the first priority must be to build a quick response capability. Incidentally, these remarks are not directed just at the customer service and sales associates; they apply in one way or another to everyone.

Secondly, the "Excellence" study found that the top performers have developed ways of staying close to the customer and supplier. In this age of electronic communications, maintaining a close and frequent contact with the outside world is essential. Since we depersonalize some of the customer service functions through increased automation, we must find ways to retain human contact. People still prefer to deal with other people rather than with machines—providing the people are courteous and helpful.

There is a special message in this for wholesaler-distributors. The distribution business is undergoing a computer revolution. You are moving rapidly to a point where most order entry to suppliers will be on-line with your computer, and a sizable portion of your customer orders will be electronically generated—if not also on line with your computer. And on-line order entry systems are but one element of a vast electronic communications network throughout the industry. Sounds like *1984*--and it is!

How do you keep the word "people" from being replaced by the word "telecommunications"? How does this new electronic era affect the ability to maintain personal contacts? Must there be new ways to assure customers and suppliers that a distribution organization is something more than a super-efficient computer? I think the answer is obvious: sales associates must take on an added dimension in dealing with customers. They should become consultants and problem solvers for their customers to a much greater degree than in the past. There still may be less frequent contact with most customers, but any personal contact will be made for good reason. And both distributor and customer will be able to evaluate the worth of the "sales" or "service" call. (An interesting aside on this point: what if the customer had to make a direct payment every time a sales call were made—just as we pay an electrician for a service call? The day may come when this may not be so farfetched!)

Let's look at other ways that a distributor can maintain meaningful and valued contacts with customers and vendors. For those who are "inside" most of the time, a short personalized note or a follow-up phone call to key people is a personal touch that reminds others that they are important and that the working relationship is appreciated.

A helpful experiment along this line would be to make up a list of five or six people outside the company, drop them a note, make a call or stop by for a brief visit—"to see how things are going." See what happens; and periodically do the same with others, while still maintaining some form of contact with the earlier contacts. If my experiences with other companies are any indication, a few months of this "personal touch" will yield some rather amazing results.

For those in branch management and executive positions, the message should be clear too! It is necessary to get out and around the territory regularly, talking with customers, prospects, suppliers and others who can affect your company's market position and future. Make sure that the word "people" is never forgotten.

A third result of the "Excellence" study is that productivity improvement is not achieved through machines alone. The truly outstanding companies have learned that productivity really improves when:

- employees understand what is expected of them.
- they are given the proper training and tools to do the job.
- their performance is measured and rewarded in proportion to their accomplishments.

When we think about the meaning of the word "productivity," we see that it has two parts—one dealing with efficiency and the other with effectiveness. Efficiency is concerned with doing things with the least amount of resources possible. A car that gets 100 miles per gallon is four times as efficient as one that gets 25. However, the 100-mpg car may be very efficient and yet not be at all effective. It may be able to carry only one person, and only for short distance on level ground. Effectiveness has to do with how *well* a person, a machine or an organization performs. Efficiency is concerned with doing things right, while effectiveness deals with doing the right things.

> *A productive company invariably is a great place to work, and it tends to be among the most profitable in the industry.*

High levels of productivity are achieved by doing the right things (like consistently rendering fine customer service) while, at the same time, doing things right (by using the talents and tools of an organization as efficiently as possible). When the productivity equation is complete, you are highly effective in satisfying needs of customers, suppliers and each other, and you are efficient in how you spend your valuable resources. A productive company invariably is a great place to work, and it tends to be among the most profitable in the industry.

In this light, let's look at wholesale distribution and improving productivity.

The first step in improving productivity is to carefully assess each part of the business and each element of a job. Ask yourself, "Are we (and am I) doing the right things?" "Are we performing jobs that must be done to satisfy the needs and expectations of customers, suppliers and others we serve?" "Are there some things that we should be doing but aren't?" "Are there some things we are currently doing which are unnecessary?" Also, ask, "Are we doing things right?"

"Do we have the proper tools, systems and procedures to do what is expected?" "Is my job and what is expected of me clear?" "How can my function or department work more smoothly with the others?" "What are the time and effort wasters, and how can they be minimized?" These, and similar questions need to be discussed within the company. Some answers may be easy while others may require some teamwork from several parts of the company.

Productivity improvement must be a part of everyone's job. It is not just a matter of executives, branch managers or other managers. Even though productivity improvement is the most fundamental task of management, and management must set the pace to foster the right attitudes and atmosphere, everyone in the company has a vested interest in the productivity of that company.

Another finding from the "Excellence" study is that the top performers foster entrepreneurship within their operations. People are given the latitude to grow with their jobs and to make decisions on improving their approach to assigned tasks. Managers are encouraged to think independently and to develop a managerial style befitting local conditions or the situation at hand. These companies encourage very little rubber stamping and a minimum of procedures, outside of those essential to coordination and communication. When people are given an opportunity to design their own work or to share a company's procedural decision, they are far more motivated and productive than when they have no latitude.

As wholesaling moves into this new era, it is an ideal time to examine individual roles and contributions to a company. Take a close look at what you do. How could you do it better, easier or in a way that is more interesting and fulfilling? Discuss your views with others in the organization, and if appropriate, make some changes that will be both personally satisfying and more responsive to a service commitment.

Outstanding companies are pretty tight ships. The line organization is action-oriented, with a limited number of staff people who are simple and streamlined. This helps the businesses to move quickly and decisively, with a minimum of wasted effort. Also, in keeping with the action orientation and entrepreneurship characteristics already mentioned, these companies' organizational structure is designed to be flexible and responsive to a changing business climate.

For wholesale distribution, the implications are clear: the marketplace is in a constant state of flux, and successful companies must be sufficiently lean and agile to adjust their customer approach as needed, while at the same time, they must maintain the closeness to the market mentioned earlier. Further, customers and suppliers should view wholesalers as dynamic organizations, able to roll with the punches. They need to know that you are organized to serve them well.

The excellent firms are also noted for sticking to their knitting. They build on what they do best and avoid ventures that dilute market effectiveness or operating efficiency. The successful company must know what sets them apart from their competition, what gives them an advantage in the eyes of their customers. That distinctive competency, that differential advantage must be strengthened and it must become the foundation upon which the company grows.

When a company decides to make customer service its differential advantage, it has made quite a commitment. Once it is known that customer service is that company's ethic and mission, the people in that organization must live up to it—in word and deed, and in the marketplace as well as within the company.

At times it is difficult to stick to a commitment. We are all tempted by other opportunities and "the easy way." But those whom you serve will be paying close attention to how well you deliver on your promises. If your sights are properly set, your customers and suppliers will see what the company stands for in the marketplace. But the benefits are legion: the better you become at delivering valued services, the stronger the ties will be between you and those you serve. Things can only get better.

A couple of final observations... The truly successful businesses are led by executives who take a hands-on approach to management. They clearly state their views, values and expectations, both for their company's approach to the marketplace and for their employees. True leaders are in tune with their markets and with their employees. Their style of leadership sets an example for their organization and the industry as a whole. These leaders are willing to roll up their sleeves and work with the rest of the company.

The following final comments are called "Marketing Directions for the 1980's" since they capture the essence of this paper. In renewing a commitment to excellence in customer service, try to remember that personal excellence is achieved through the careful blending of several ingredients. Companies and individuals alike will need to evaluate themselves along these dimensions in meeting present opportunities and challenges. Those who get high ratings on the following attributes are the real contributors to excellence.

ATTITUDES—Your attitude toward customers, suppliers, your fellow associates and your company will determine your ability to make a contribution. People with positive attitudes can move mountains—or at least they are willing to try. Those with negative attitudes or feelings are always finding reasons why they cannot achieve their objectives.

ROLES—As the service expectations of customers and suppliers increase and competition intensifies, roles and responsibilities must be well understood, and individuals must be trained and directed to achieve excellence.

INVOLVEMENT—Being a part of your company and seeing how you contribute is just the first step in getting involved. Not only must you understand what is expected, but you also must be willing and able to pitch in and work with your associates.

PROFESSIONALISM—The professional—in business as in sports—is one who strives to improve his or her performance. Practice, discipline and training are a way of life for a true professional. The prerequisites for business excellence in the 1980's are far more demanding on your skills and talents than ever before. Increased professionalism is a necessary investment for the future of both the individual and the organization.

COMMUNICATIONS—How well you communicate with customers, suppliers and other associates ultimately dictates the overall effectiveness of your organization. Try to consider better, easier ways to share information inside and outside the company. Frequently, it is the smaller items that make the difference: How much of your telephoning and note writing is really needed? What are you doing that needs to be communicated to others in the company? Are meetings well run? When you communicate with people outside the company, do you get through loud and clear, or is the paperwork or message garbled?

COMMITMENT—When all is said and done, this is perhaps the most important consideration of all. Individuals who are concerned about their own futures and that of the company will make the extra effort, the commitment to self development and to the organization. And I might add, the organization must also make a commitment to you.

In conclusion, the wholesale distribution is at a major turning point in its development. You are here to consider this future course as it impacts you, your organization and the industry as a whole. And a commitment to excellence imposes requirements on everyone involved, but it also promises personal and professional rewards for all.

As you contemplate the future, please remember that the future is already here. You are shaping—if not making—your own future.

Denis F. Healy, Ph.D.

Dr. Healy is a nationally recognized author, researcher and advisor on business strategy and marketing management. He specializes in the appraisal of market opportunities, design and management of distribution channels, and development of competitive strategies and marketing programs.

He is author of numerous articles on marketing, distribution and planning for business publications and trade journals. His book, **Increasing Profits Through Better Marketing: The Marketing Productivity Audit** *is recognized as a leading work on distribution marketing management. His new book,* **Branching and Market Coverage: Growth Strategies For Wholesaler-Distributors**, *is destined to be a best seller.*

PRINTING PAPER

1985 PUBLISHING TO SHOW GROWTH

Consumer magazine advertising revenue is expected to show a 20% jump in 1985 according to a recent study. The total number of ad pages should increase by 8% with circulation gains of 2-3%.

Business publications are expected to grow more slowly with a 2-4% rise in ad pages and a 12% increase in revenue. Advertising spending in direct marketing should see a 10% increase in 1985. The new postal increase is a concern for bulk mailers.

MATERIALS HANDLING IS THE "NEW PRODUCTIVITY FRONTIER" FOR PRINTERS

"The printer who has overlooked the importance of the materials handling function will find it one of the fastest ways to improve productivity." This, according to a new NAPL report, is something of which all printers and their suppliers should be aware.

Materials management encompasses all aspects of materials specifying, procurement, storage, accountability, handling, and use—everything involved in manufacturing a product and distributing it. Each of those aspects is discussed in the report, and recommendations are made on how to manage them.

While management systems outlined run the usual gamut from manual to robotics, the report strongly advises implementation of at least some system *now*. It further recommends that responsibility for the system be placed in the hands of a top management representative.

The new NAPL report "The Next Productivity Frontier: Materials Management" is available from the NPTA Communications Department for $7.00. Paper merchants should buy copies to drop off at their customers. They certainly would appreciate it.

REAGAN NAMES NEW PUBLIC PRINTER

President Reagan has named Ralph E. Kennickell, Jr. as Public Printer. As the 21st Public Printer, the 39-year-old Kennickell heads the U.S. Government Printing Office (GPO), one of the largest printing and information disseminating organizations in the world. With more than 5,500 employees, GPO is the largest industrial employer in the Nation's Capital. Before his appointment as Public Printer, Kennickell served the Reagan Administration at both the Treasury Department and the Small Business Administration.

A native of Savannah, GA, the new Public Printer went to work in 1971 for the Kennickell Printing Company, a family-owned firm since 1892.

HOME COMPUTERS TURNING INTO HOME PRINT SHOPS

The inexpensive dot matrix printer is a boon to both the home computer user and the paper supplier. Sales of these units are skyrocketing as purchase prices fall and users want to unlock their data from the confines of the electronic box.

Software abounds that will help home computer users turn their printers into sophisticated reproduction devices. Form letters, a typical word processing function, are only the tip of the iceberg. Now, graphics packages are finding their way into the home for use by parents and children.

There are programs that will automatically design and print greeting cards, stationery, banners and more. Print-by-number pictures with "canned" illustrations help children print their own cartoons. Graphics tablets and touch-sensitive screen devices make it easy to create illustrations that can be printed out in color.

Children used to get to little rubber stamp printing set for Christmas. Now that has been replaced by the home computer. And because that computer can do so much more, mommy has had to add "paper for the computer" to her weekly grocery list.

INDUSTRIAL PAPER

COMPRESSION PERFORMANCE GAINS IMPORTANCE IN PACKAGING

The Fibre Box Assn. and the American Paper Institute report that they are jointly developing a new system of specifying corrugated board which they believe will make packaging design more effective and improve vertical stacking strength.

The proposal would modify the current rail Rule 41 and truck Item 222 requiring that corrugated boxes meet specified basis weight and bursting strength criteria.

Their system emphasizes a compression-related characteristic of corrugated board—its edge crush value. This value would be slightly higher than the one obtained today on regular production corrugated boxes. Basis weight of facings would not be changed from the current levels, but bursting strength requirements for most grades would be reduced by about 20%.

These changes would allow container-board manufacturers to expand their fibre base and change their operations to produce linerboard with better stiffness (e.g., compression strength), without sacrificing the box's ability to retain its contents.

The two organizations are now field testing the boxes with the new specifications in rail and truck shipments.

Meanwhile, Owens-Illinois is trying to "change the direction of the entire industry to compression performance" with a product it has developed called Ultrastak, asserts Joseph Bick, manager of product and technical development.

Ultrastak, a family of high-compression kraft linerboard and heavy-duty corrugating media, is manufactured with a ring crush specification rather than with a basis weight specification. (Ring crush is the property of paper directly related to box compression strength.) As a result, it is designed to be 20-25% stronger in compression strength than the average paper container and more cost effective, he claims. "This entire industry is [now] based on mullen and basis weight. Everybody's tied into carrier regulations, but we're trying to break that. We're trying to get people to think in terms of buying what they want, rather than buying what the rules say," Bick concludes.

USING PAPER BAGS COSTS LESS THAN USING PLASTIC, MAJOR SUPERMARKET STUDY FINDS

In what has been claimed to be the most extensive independent study of its kind in the history of the supermarket industry, results indicate that paper bags cost less to use than plastic bags.

When all cost factors are combined and analyzed, virtually no practical supermarket situation exists in which using plastic bags cost less than using paper bags, the study found. The study, conducted by Case and Company, Inc., an independent international management consulting firm specializing in analyses of supermarket operations, found that:

- A paper-based bagging system, beginning with the purchase of the bags and ending with the customer checkout, is 3% to 10% less costly than a system utilizing plastic bags. This is equivalent to a 15% to 30% decrease in purchase costs of paper bags.
- The cost savings of paper over plastic are due mainly to paper's capacity to be packed more rapidly than plastic, significantly reducing labor costs.

According to the Case study findings, the combination of labor and savings and the need for fewer bags in a paper bagging system more than offsets the higher costs of purchasing and delivering paper bags. The following findings also emerged from the study:

- The more items sold per shopper, the greater the advantage of the paper bag, due to its larger capacity.
- In supermarkets using scanning devices at checkouts, paper is even more efficient if a checker/bagger team is employed, because paper bags provide a better opportunity for baggers to work productively.

The study, requested by the American Paper Institute, concluded that the precise cost saved by using paper bags will vary from store to store and is based on the difference in the purchase cost of paper and plastic bags, the number of items per customer, types and sizes of bags used, a store's procedure for using baggers, checkout design, the extent of double bagging, and hourly wages.

DELIVERIES UP FOR PAPER SHIPPING SACKS

During the second quarter of 1984, shipments of paper shipping sacks increased 10.5%, more than doubling initial projections for this period. The Paper Shipping Sack Manufacturers Assn. (PSSMA) says shipments for the first six months rose 11%, following a very active first quarter.

Brent Dixon, executive director of the PSSMA, says deliveries are expected to be strong through the end of 1984 and are predicted to remain stable for the first half of 1985.

End-user categories with the greatest increases included the building, seeds, flour and flour mix, clays and absorbents industries.

SHIPPING LIQUIDS BY BOX

Transporting liquids in corrugated boxes rather than in metal drums is taking root. Anywhere from 100-300 gallons of liquid can be transported inside a specially-constructed bag placed inside a corrugated box; for instance, tomato paste, jelly, even adhesives can be moved in this manner.

What are the benefits? The method provides cost savings. Shipping four 55 gallon metal drums (the equivalent of one corrugated box) costs $72, as compared to $40-50 for the box. Disposal is easier too.

Liquids do not freeze in the box. Because of the heavy weight of the board, the fluting in the box provides air insulation space, thus retaining heat. For products which spoil or lose their usefulness when frozen, this could have major implications.

STRETCHING THE USE OF STRETCH WRAP

According to a recent article in *Handling and Shipping Management* magazine, some companies have recently developed a new linear wrap product, a netting made from linear low-density polyethylene. The wrap provides about 15% additional stretch when running on a conventional wrapping machine.

It is prestretched in the manufacturing process unlike most stretch film which is stretched on the machine as a load is being wrapped.

Since the netting offers "breath-ability," it is a particularly useful in securing loads packed with a high moisture content, like flour, because it allows moisture to escape while the load is being shipped. It is also beneficial in transporting chilled fresh produce which needs air circulation to keep it fresh.

One company has introduced a new powered technique to prestretch their film before the product is placed on the pallet to be wrapped. They now can achieve 200% stretch.

The equipment used has a brake system that stretches the film by passing it through rollers. The system allows much flexibility in the amount of braking applied to the roll. By varying the braking, extra stretch is achieved, packing is tighter, and less film is used. Although steel strapping is still the most durable for load restraint systems, polyester strapping is growing in acceptance.

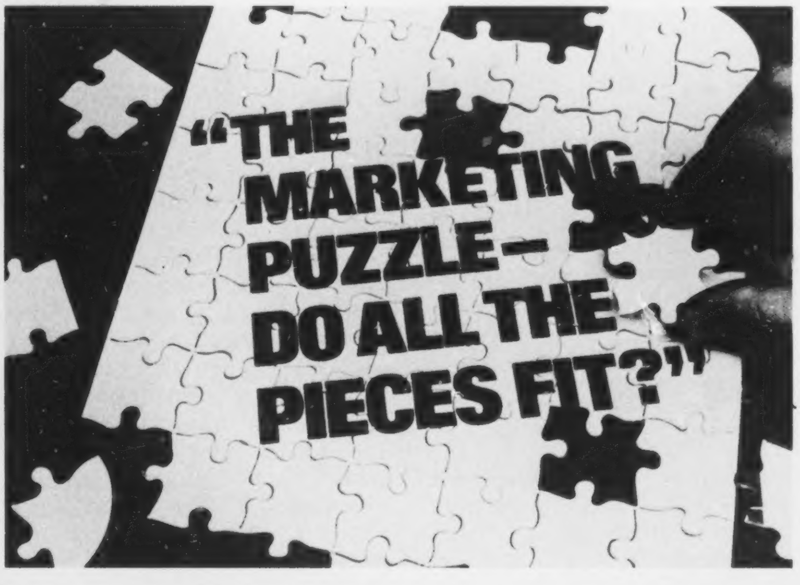
MEASURING PROFITABILITY: BEYOND

This article is an excerpt from Peter Mullins new book titled: **Measuring Customer and Product Line Profitability.**

John Phillips, the president of Delta Distribution, looked appreciatively around his office. Delta had come a long way since he and two friends had started it in 1965. Still, he was becoming increasingly concerned about Delta's recent performance and what that might mean for the future. In fact, that was the subject of a meeting he was about to have with Sam Edington, Delta's Sales Vice President and Chris Turner, the Controller. Sam and Chris had organized the firm with John and had been with it ever since. All three of Delta's owners were bright and hard working. All had been employed in various phases of the industry before they had combined to start Delta.

Still, John had those nagging doubts. As Delta continued to grow strongly, was it getting beyond their collective management abilities? Delta had opened two branches in the mid and late 1970's. While both branches were profitable, John felt that they suffered from being physically removed from top management attention. He had heard an interesting talk on the need for changes in management style as a firm grows and wondered if Delta wasn't getting to that point. His thoughts were interrputed by the arrival of Sam and Chris for the meeting.

After the usual small talk, John got to the point. "Well, as you fellows know, I think it is useful for us to occasionally set aside day-to-day problems and review how we have been doing and where we may be going. Chris, have you had a chance to dig into last year's financial statements yet?"


"THE MARKETING PUZZLE— DO ALL THE PIECES FIT?"

"Yes, John. I looked at both our performance for last year and our three year trends in several key areas. Let me summarize:

- Our sales growth had held up remarkably well. We have consistently been in the top 10% of all firms in the industry. Unfortunately, that's just about all the good news.
- Our gross profit margin has been declining for the past several years. At the same time, operating expenses have been creeping up. As a result, our net profit margin has declined each year and is now near the lower quartile for the industry. (As you remember, the lower quartile is the lower 25% point; only one quarter of the firms in the industry had a lower performance.)
- Things aren't any better in the asset management area. Because of market pressures and our responses to them, our collections of accounts receivable have been lagging and our average collection period has been getting longer. At the same time, our inventory turnover has been steadily declining. We all know the reasons for these trends, or at least think we do, but the result has still been a rapid increase in our investment in assets.
- As a result of the decline in our net profit margin and the sharp increase in our asset investment requirements, our return on assets is now below the industry lower quartile. This, coupled with our high sales growth rate, has resulted in an increased reliance on debt financing. As you know, we have been pushing our suppliers pretty hard and at the same time our bank debt has increased substantially. In fact, Fred Friendly, our loan officer down at First National, has been getting rather uncomfortable with our financial position. They calculate the same sorts of financial ratios that we do on our customers and are becoming concerned with the deterioration in some of our key performance measures. I think we've got time to get things turned around, but I'm afraid First National is going to be reluctant to increase our credit line any further."

Chris' short and rather negative presentation took John and Sam somewhat by surprise. They knew several areas needed attention but were not really aware of the apparent breadth and depth of Delta's problems.

John spoke first: "Well Chris, what should we do?"

Chris puffed on his pipe before replying, "I think we need to tighten up on our pricing policies; let some people in the office and sales staff and in the warehouse go; get tougher on by Peter L. Mullins, Ph.D.

TURN & EARN

credit granting and collections, and, if necessary, drop some marginal product lines (here he looked at Sam) even if it means slowing our sales growth."

Sam smiled. This was round 826 of the running battle he and Chris had carried on in more or less friendly fashion since 1965. "That's all well and good Chris, but it might also put us out of business. Our best accounts generate the most volume, get the best price and often are slow pay. Sure, we provide plenty of extra services and stock special items for them, but we have to do that or they'll go somewhere else. If we lost 20 or 30% of our sales volume, what would that do to our profitability?"

Chris grinned, "I knew I shouldn't have given you that article on fixed costs and variable costs, Sam. I hate to admit it, but you may be right."

John interjected, "OK you two, knock it off. But, all joking aside, I think we're in agreement that we have some problems. The steady increase in our reliance on debt financing is particularly worrisome considering our declining profit trend. Pretty soon we won't be making enough to cover our interest costs. The question is, how do we proceed to define exactly what the problems are and then, how should we deal with them?

"Over the past few years, we have spent many hours arguing about various marketing and financial policies, but have not really come to any conclusions. It appears that we are going to have to try to take a new approach before we get in a real bind."

"Chris, you did a good job analyzing what appears to be wrong with our financial position. What do you think we should do?"

"Well John, I wish I knew for sure. One possibility did come to mind this morning while I was shaving. You remember this was my year to go to the NAW Annual Meeting. I happened to join a group of several people during a coffee break between sessions. They were apparently from businesses similar to ours but in other commodity lines. The interesting thing is that they were talking about their different approaches to managing product line and customer profitability. It appears that some firms have gotten very sophisticated in this area and are using the results of such analyses as a major source of information to help in making many policy decisions. I was so intrigued by the conversation that I collected business cards from each of the people in the group.

"Give me a couple of weeks to do some homework. I would like to talk to some of those people in more depth, dig into whatever information sources they can provide and perhaps even visit with one or two of them. I'll put something together before our next meeting if the area shows any promise."

John looked at Sam, "Sam, what do you think?"

"Well John, I'm too busy fighting off the alligators to get much done draining the swamp. If Chris can come up with a way to improve our ability to measure and to manage product line and customer profitability, I think it would be great, but I'm skeptical."

Chris stood to leave, "OK guys, I'll dig into the question some more. I'm not at all sure this is the magic answer, but those people at the NAW convention were surely excited about the results they were getting."

The next month went quickly. Delta was holding its own in the market place but profitability was still anemic. The three owners met on Saturday to go over what Chris had learned.

Chris spoke first: "Well guys, it's been a pretty busy month. I've talked to a lot of people and done some reading. It appears that the product line and customer profitability concept is pretty hot in some wholesale-distribution commodity lines and much less so in others. Even in commodity lines where some firms are very much into this area, most wholesaler-distributors are only getting started. In fact, in most commodity lines the 'state-of-the-art' in measuring customer and product line profitability hasn't changed much in the past twenty or thirty years.

> *"Well John, I'm too busy fighting off the alligators to get much done draining the swamp. . ."*

"Although I'm not too sure, it appears that those commodity lines that are more deeply into this area seem to have the following characteristics:

- Larger average firm size.
- Highly competitive economic environment. This typically means considerable pressure on gross margins, probably as a result of handling more commodity-like products for which price is seen as the dominant factor differentiating the attractiveness of competing wholesaler-distributors.

- Order entry into a computer either through direct electronic entry by customers or through an inside sales person using either a CRT hooked directly into a computer or a hand written order that is then key punched. The key is the focus on individual transactions. The data from these transactions are used to develop a 'data base'. In turn, this data base is used to support a wide variety of computerized profitability studies. I have summarized the concept in Exhibit 1-1.
- However, there are also sharp people in many commodity lines that don't yet have a computerized data base but are still doing these types of analyses by sampling transactions and using calculators.

"Because these characteristics apply reasonably well to the commodity lines we handle, I thought it was worth digging deeper. I found that we are already making many analyses that focus on various aspects of product line and customer profitability. For example, at the present time we are gathering some individual account data that we believe are related to customer profitability such as:

- total sales volume produced by each account;
- percentage sales change from period to period for each account;
- total gross margin dollars produced by each account;
- gross margin percentage achieved for each account.

Similarly, we are attempting to evaluate product line and supplier profitability by measuring:

- the total sales volume achieved;
- percentage sales increase;
- gross margin percentage obtained for each product group, each product line and the major lines of each supplier.

We are just developing the capability to:

- calculate inventory turnover by product line and supplier;
- refine calculations of sales and gross margin dollars and percentages into finer classes such as warehouse sales and direct sales;
- develop ways to tie special inventory costs such as product returns and allowances and write offs back to specific suppliers and lines.

These types of calculations seem to be important to most people. In fact, we may be more advanced in this area than are most firms.

"However, in talking to various people and thinking about it further, I believe we sort of evolved into our present system. I'd like to back up and spend some time developing, if you'll excuse the expression, a theoretical approach to the problem and move from there into the costs and benefits of applying it to our situation."

At this point Chris got up: "Do you think it's worthwhile to spend the rest of the day going over what I've come up with to this point or would you rather hold off for awhile?"

John and Sam looked at each other. Finally, Sam said, "Well it's probably going to rain anyway. Let me make a couple of calls and I'm game." John agreed: "Let me check the mail and I'm good till four o'clock."

When John and Sam returned, Chris was still organizing his charts. Sam smiled at John and needled Chris, "Chris, you surely were confident that we were going to be willing to invest our Saturday in this exercise. At times, I think I already know more than I understand about product line and customer profitability."

"Well Sam, it's this way," Chris replied. "The people I met at the NAW convention were definitely sharp and appeared to be successful. Knowing that we were similarly sharp and obviously successful, not to mention our high level of warmth and class, it seemed like an area we should explore further."

"Touché."

Peter L. Mullins, Ph.D.

Dr. Mullins received his Ph.D. in Finance from Stanford University and is one of the founders of Management Foresight, Inc.; an organization dedicated to serving the wholesale distribution industry. MFI is presently providing services to numerous national trade associations such as the Performance Analysis Reports (PAR). In addition, for several years MFI has been engaged in a wide variety of activities for individual firms, such as financial/operations analysis, financial planning, firm valuation studies and the development of salesmen's compensation plans. He is also conducting a series of seminars on the subject of measuring customer and product line profitability for NPTA.

ACTIVITY

DECEMBER, 1984

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day December 1984 - Compared To - December 1983	Sales Per Selling Day December 1984 - Compared To - November 1984	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of December		Calendar Days' Cost* of Ending November Inventory	
				1983	1984	1983	1984
INDUSTRIAL							
1	+ 7.7	- 2.6	- 3.5	43	43	–	–
2	+ 7.7	- 3.2	+12.1	36	34	51	48
3	- 1.0	-11.4	+11.4	35	38	59	54
4	+10.3	- 2.4	+12.1	36	38	56	57
5	+ 0.7	- 2.3	+ 5.9	31	34	63	58
6	+ 4.8	- 0.2	+11.8	N/A	38	–	–
7	+ 3.9	- 3.5	- 5.5	36	42	–	49
NY Metro	+ 8.2	+ 0.1	- 1.9	47	48	–	–
Chicago Metro	- 0.8	-14.9	- 1.3	50	38	–	48
LA Metro	-11.3	- 5.3	+ 9.4	54	51	–	38
US	**+ 2.4**	**- 4.7**	**+ 7.3**	**39**	**41**	**58**	**51**
PRINTING							
1	+12.8	+ 3.8	+23.7	51	51	–	–
2	+ 3.5	- 6.1	+17.1	44	47	62	59
3	+ 8.9	- 3.8	+21.6	44	44	76	72
4	+ 7.9	- 2.8	+16.7	46	45	74	64
5	+ 0.7	- 2.1	+15.3	44	39	90	72
6	+ 7.0	- 1.4	+11.0	N/A	40	–	–
7	+ 5.1	- 2.5	+16.1	44	41	85	–
NY Metro	+10.4	- 4.2	+27.5	44	41	–	–
Chicago Metro	+10.5	- 5.3	+26.8	45	43	–	–
LA Metro	+ 1.8	- 5.1	+13.6	33	43	81	77
US	**+ 6.8**	**- 3.2**	**+18.9**	**44**	**45**	**78**	**68**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

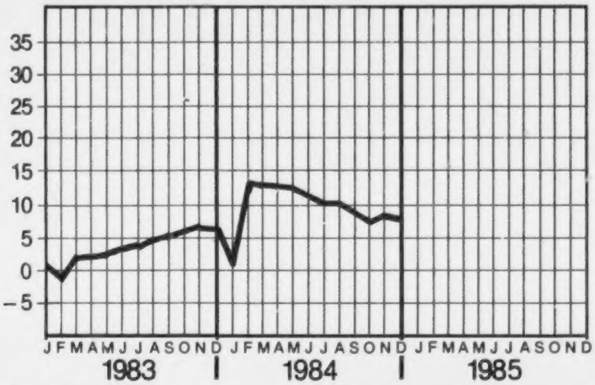
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

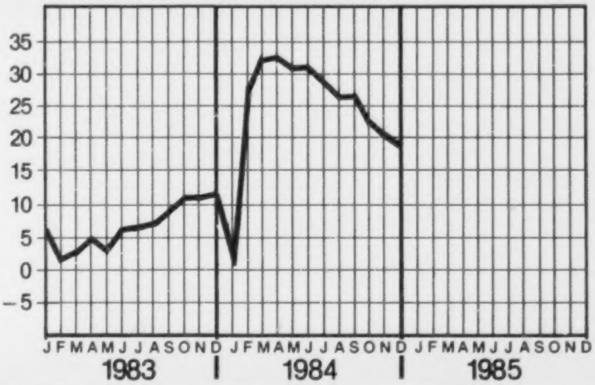
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



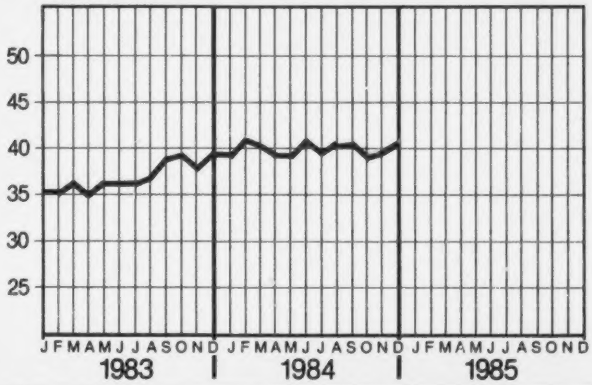
PRINTING PAPER SALES NATIONALLY



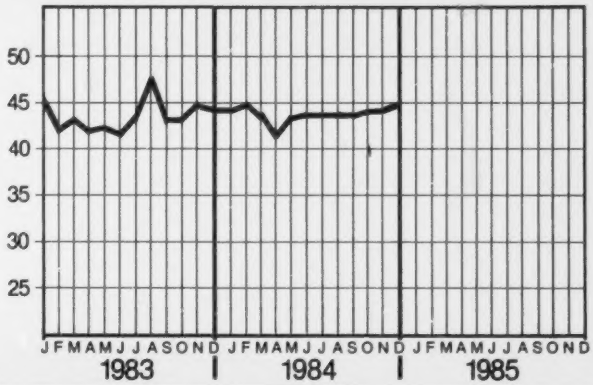
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



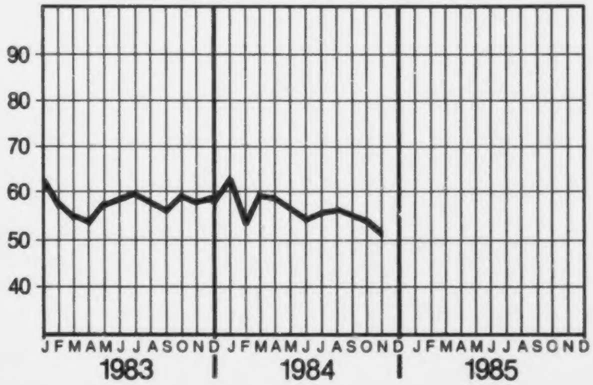
PRINTING PAPER RECEIVABLES NATIONALLY



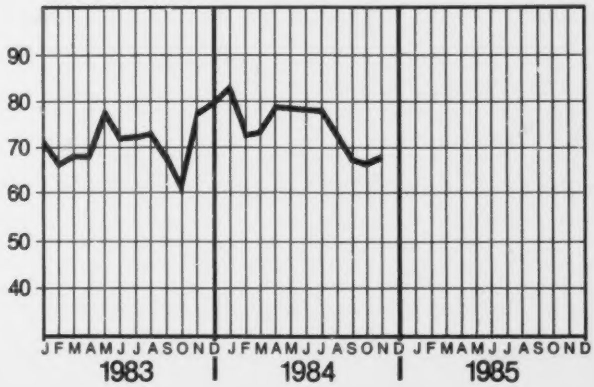
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



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April 11 — Kansas City, KS
April 29 — Seattle, WA
April 30 — San Francisco, CA
May 1 — Los Angeles, CA
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June 5 — Atlanta, GA
June 6 — Ft. Lauderdale, FL
June 25 — Philadelphia, PA
June 26 — Boston, MA
June 27 — New York, NY
August 6 — Montreal, Canada
August 7 — Buffalo, NY
August 8 — Baltimore, MD

Education and Training Department
National Paper Trade Association, inc.
111 Great Neck Road, Great Neck, NY 11021

TELEMARKETING FOR WHOLESALER

Telemarketing is becoming a much more important piece of the marketing puzzle.

To properly position first the subject of telemarketing and then the concept of telemarketing in the context of wholesale distribution operations, it is first necessary to define what telemarketing is and is not. Telemarketing is the strategic and tactical use of a high frequency, high volume contact resource in an overall sales plan. Telemarketing is *not* the form of contact we are all too familiar with at home. The typical call we receive at home and at work belong to a general category I refer to as "tele-irritation." The essential difference is a thought process. This thought process has three essential elements: a defined set of purposes and objectives; selection of people with telemarketing skills; training designed to support the purpose and objectives.

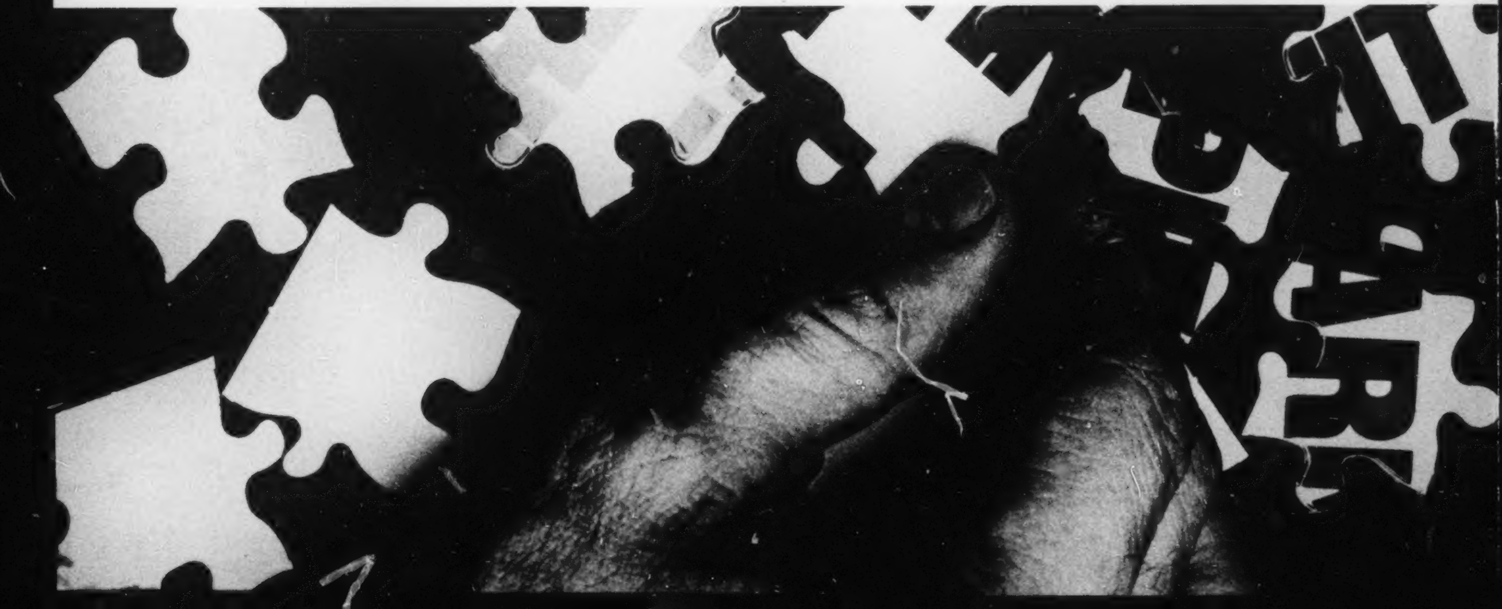
Let's first consider the typical nature of sales in a wholesale operation. The sales effort is focused almost totally on the outside sales personnel. Typically, these outside sales people are paid on a straight commission basis or some payment form with essentially the same result as straight commission. Assuming that the sales people have been in their assignment for some time, they spend the vast majority of their time (often 80 to 90%) in an activity I generally refer to as Base Management. Base Management is defined as those activities designed to service and/or retain business from the existing base of accounts. Base Management is only one of three types of activity for a wholesaler-distributor sales person. The three are: Base Management; Growth Management; Market Development.

Growth management involves selling more to existing accounts. This activity is also referred to as account penetration, but the concept of Growth Management involves a good deal more than does account penetration. Growth Management considers selling accounts on new applications, systems selling and other approaches not generally considered in penetration. Market Development is the securing of new accounts through a variety of means such as: new geographic coverage; entirely new product lines; contact with opportunity accounts.

When a sales person is new to a company, there is a tendency for him to spend a great deal of time in Growth Management and Market Development simply because he has no large base of active accounts at first. Over a period of time, a base of accounts is built up and the sales person spends more and more time servicing the base. The impact on sales volume is a flattening out or even a mild decline.

The typical response of management is that the sales person may have reached his "comfort zone" or, is simply not working as hard as he did at first. In talking with sales people, it would not seem they are in a comfort zone, nor does it seem that their actual effort has been substantially reduced. It is more a matter of how they are spending their time and effort. Too much of the typical distributor sales person's time is devoted to this activity. The situation is compounded by the fact that as much as 90% of actual customer order activity comes by phone through the order desk function. That function, due to volume, does little more than record the customer order as given by the customer, so, again, no real sales effort is present.

The bottom line is that there is very little sales activity that is growth oriented. Some manifestations of this condition are visible. The typical



by Michael Ibison

DISTRIBUTORS

wholesaler-distributor sees his sales force creating relatively few new accounts and introducing new products very slowly. These conditions exist for a very simple reason; no one is really geared to the activities required to create new accounts or effectively introduce new products. The straight commission pay plans that are the standard create a sales behavior that tends to be short term in nature. Creating new accounts and introducing new products tends to be viewed as more long term in nature. Since the sales person perceives greater immediate reward in short term activities, that is where the focus is.

The application for telemarketing that typically pays the best and fastest dividends to the selling company is in the area of Base Management. The assignment of accounts that basically requires service contacts to telemarketing serves several purposes: reduces sales costs associated with Base Management; provides more frequent and consistent contact with smaller accounts; frees outside sales to do more Growth Management and Market Development activity; creates cost effective ways of assuring greater customer awareness of whole product line; enhances high service image of selling company.

While this is only one of several applications for telemarketing, it is one that can be implemented quickly with immediate, positive impact on sales volume. A side benefit to this approach as a first application is that the telemarketer can develop his sales skills rapidly, thus preparing him for other applications.

It is critical that the implications of telemarketing on the outside sales people be addressed during implementation planning. There are a variety of ways to deal with the possible income impact on outside sales. Selecting the best alternative is a function of the distributor's specific situation and needs. Some approaches are: complete separation of the accounts from outside sales with no compensation for that separation; teaming of the telemarketer with one or more of the outside sales people with a portion of the commission going to compensate the telemarketer; "buying" the accounts from the outside sales people by paying an amount equal to two or three months' commission; phasing in Base Management accounts over a period of time to minimize any immediate affect on the outside sales people.

These are some, but not all, of the alternatives. The proper approach is, again, based upon the specific needs and situation of the distributor. An important part of strategy development is an analysis of the impact of your plan on the income of the outside people.

Selection of the right personnel for the telemarketing function is surprisingly the most overlooked part of most implementations. The idea is to create a professional sales resource that happens to use the telephone for customer contact.

When discussing with management programs that failed, it becomes apparent that with regard to people, the idea was to put someone on the phone, not to create a professional sales resource. As a result, we see surplus personnel from the order desk, outside sales force or elsewhere assigned to the function. Further, we often see telemarketing positioned as a part-time activity for someone whose "real job" may not require the entire day. With no real emphasis, the telemarketing function fails.

Part of the difficulty is that people see telemarketing in a overly simplistic way. Conceptually, it is fairly simple. To be truly successful with telemarketing is not a simplistic thing, anymore than a successful outside sales force is simple. We do, in fact, recommend that existing personnel be considered for telemarketing, due to the existence of product and company procedure knowledge.

If the existing employee has the aptitude and personality for success in the telemarketing role, the program is advanced more quickly. The overemphasis on this immediately available and knowledgeable resource can, however, have a devastating effect on the program in a short period of time. The right aptitude should outweigh immediate knowledge.

Telemarketing also has the effect of solidifying accounts that might tend to "float" from one supplier to another.

Training of telemarketers goes beyond giving them a scripted message to deliver repeatedly. It involves teaching them the specific skills required to be an effective representative of the distributor. Certain aspects of telemarketing separate it from outside selling skills. Voice qualities, voice pacing and intense listening skills are some examples. Certainly, some basic sales skills apply, but the telemarketer is selling in a different environment, and skill in dealing with the differences is critical. A canned approach does *not* develop the proactive sales skills of the telemarketer.

Certainly, a basic flow is required to assure that critical elements of the sales message are delivered, but delivering canned speeches is very different from professional sales skills and is more closely associated with "tele-irritation." Again, the objective is to create a professional sales resource which uses the telephone for customer contact.

As discussed earlier, the creation of a telemarketing resource allows for a good deal of the Base Management function to be done more cost effectively and frees the outside sales people to again involve themselves with Growth Management and Market Development activities. It will be necessary for management to guide the sales force back into those activities and may require a different, more advanced sales skills training to accomplish it. For the most part, distributors do not have a ready resource for handling Base Management activities and the outside sales people fill the void. This does not utilize outside sales most effectively nor does it perform Base Management in the most cost effective manner.

Telemarketing can have a very active role in Growth Management and Market Development. Remember, we are talking in terms of a high frequency, high volume contact resource. Our experience in implementing Base Management applications is that because of frequent and consistent contact, smaller accounts increase their buying volume due to increased awareness of the distributor's whole product line. Telemarketing also has the effect of solidifying accounts that might tend to "float" from one supplier to another for no particular reason. By proactively contacting these accounts, the distributor more nearly realizes the account's total business.

In a plan to increase the geography covered by a distributor, telemarketing allows for a much faster contact with opportunity accounts than is possible in a face-to-face outside sales mode. The new market can be qualified more quickly and meaningful contact established for outside sales people when personal contact is required to secure the account. The telemarketing approach has largely the same effect in a program designed to introduce a new product or product line.

An overlooked, but very effective application for telemarketing is in customer satisfaction assurance. Distributors rely on the creation of a long-term relationship with customers. That relationship is based, from the perspective of the customer, on the overall experience in dealing with the distributor. The initial sale is only the first phase of the relationship. Telemarketing personnel can proactively contact large accounts, new accounts and new people within the account to assure satisfaction in the relationship. By proactively determining customer satisfaction, the company has the opportunity to leave a positive perception of their dedication to service as well as deal with dissatisfaction before it becomes an irreparable problem.

This is a sales activity, if for no other reason, than the dependence of the distributor on long-term relationships. It is one that could be performed by outside sales, and, in some cases, should be. However, utilizing telemarketing in this function will create a controllable, manageable and consistent effort in this important function.

When positioned as a professional, high frequency, high volume sales contact resource, the applications for telemarketing are many and varied.

A meaningful characteristic of telemarketing is that the distributor can enter into it at virtually any level deemed reasonable. Using one telemarketer creates a resource that can realistically make 150 to 165 contacts per week. Adding that level of contact power in a well thought out plan can have a measureable affect on sales in a relatively short period of time. Adding additional personnel in the function has a synergetic effect and sharply increases the contact power. Regardless of the number of people initially assigned to telemarketing, the function is critical to future sales effectiveness.

While there is an ideal physical environment for telemarketing, a reasonable degree of privacy and low noise level will suffice. It is *not* necessary to invest in a "center" concept. If large numbers of people are involved that statement is withdrawn. Most distributors will not have a large number of telemarketers and the investment in physical facilities will be minimal. A good rule of thumb with regard to telecommunications equipment is to provide 1.5 outside access lines per telemarketer and provide convenient internal communications capabilities.

With regard to internal procedures, it is important to remember that the telemarketers are proactive sales people. Therefore, incoming calls from customers should *not* automatically be passed to them. If the order desk can handle the call, they should do so just as they would for an account handled by outside sales. If the customer specifically wishes to speak to the telemarketer, a call back should be taken.

Without these precautions, the telemarketing operation could quickly deteriorate into a second order desk. When considering how to handle specific customer situations, the rule of thumb is to handle them in essentially the same way they would be dealt with if an outside sales person is involved. Another rule is that *situation, not size, dictates when an account is moved from telemarketing to an outside sales person*. There is a tendency to set some arbitrary sales volume as the criteria for moving an account. Accounts are moved only if opportunity for additional sales can only be addressed in a premise contact mode or if the account dictates personal contact. Remember the cost effective nature of telemarketing. If a large account can be handled by telemarketing, and many can, all the better.

Payment plans for telemarketers vary widely. The actual plan established should be based upon the individual situation. The basic concept for telemarketer compensation is that it should be heavily oriented toward base salary with bonus and incentive available based upon the specific applications implemented. The reason for base orientation is that the telemarketer will be asked to perform a variety of applications which may or may not have immediate sales effect. A basic concept of compensation is that people behave as a function of how they are rewarded. Therefore, it is critical that the reward system reward the behavior required for execution of the applications pursued.

In summary, telemarketing offers a real opportunity for increased sales effectiveness and a wholesale distribution operation. The effectiveness of telemarketing is not unlike effectiveness in other aspects of business. Its success will be directly related to the commitment of management and full attention to all the elements of proper implementation. The clear definition of purpose and objectives, the selection of the right personnel and training in the right skills will lead to a successful program.

Michael Ibison

Profiles International Executive Vice President, Michael Ibison, joined Profiles in June 1983 after eighteen years in a variety of sales, marketing and management positions with the Bell System.

He is the author of a number of articles on sales and marketing concepts, including telemarketing, sales compensation and sales development. Mr. Ibison is currently writing a book on the changing nature of sales and sales management in today's marketplace, and is conducting a series of seminars on telemarketing around the country for NPTA.

NPTA LAUNCHES 1985 SCHEDULE OF

The business climate of the 80s and as it is likely to develop during the 90s, poses exciting challenges to the wholesale paper distribution industry. Expanding markets and the introduction of new technology offer increased opportunities for merchants. The ability of the paper industry to continue to cope with the demands presented by these changes of tomorrow depends on its use of effective, modern, industry-specific training techniques today. But how will they learn these new techniques? Who will train them? The paper industry today does not permit its people to learn by the old trial and error method.

The challenge of the coming years requires a new approach to training. NPTA's response to this need is its 1985 educational offerings.

Can NPTA Programs Benefit You?

Training or teaching is one of numerous managerial activities. Like many other such activities, one often chooses to do it. . .or not do it. It is an individual choice, but the measure of whether one should do it or how much time one should spend doing it is the same as for any other activity. How much does it contribute to the bottom line?

Every minute a manager spends in training means a minute he or she will not be doing anything else. Some minutes pay off more than other minutes, so the rule is simple: Do only things that provide maximum pay off.

Viewed in another way, training is a form of investment. The best investment is one that produces high return with minimal risk.

Training is a management tool. It is not like advertising or public relations, where the results are easier to measure. Training helps to manage employee behavior and skill development by teaching the employees where to do it, why to do it, and by providing the information and knowledge required to do it. Like all the functions in a paper company, a major reason to train employees is to increase sales and profit and to lower costs. Properly planned training is absolutely measurable. After assessing paper merchants' needs and interests, NPTA has developed a multifaceted educational program for 1985.

Programs to Provide Concepts and Skills

Investment in training can now provide greater personnel productivity, more bottom-line dollars, and a positive impact which will aid the company's performance throughout the year.

Seminars, conferences and university programs require an investment in time and money. Is it worth it? Like any other investment, the potential return must be great enough to justify the time and expense. NPTA has designed its programs to fill specific training objectives for paper merchants, thus insuring that the sessions presented will provide the expected return.

> *Like any other investment, the potential return must justify the time and expense.*

Seminars

Measuring Customer And Product Line Profitability - A Key to Survival And Growth In The 80s

This one-day seminar, presented by Dr. Peter Mullins provides a system to evaluate the "good deals" that are brought to merchants by their sales people and suppliers.

Which *are* the company's most profitable product lines and customers? Which are the company's least profitable lines and customers? What specific steps should you take to improve your profitability? This seminar will give you the answers to these and other questions.

Marketing Value Added Service

Value added selling is a marketing principle by which the sales person sells the total concept of value and not just the price of the goods themselves. In his one-day presentation, D. Bruce Merrifield shows how developing new value-added extra services can enable the distributor to:

- grow faster than the market with similar margins
- prevent erosion of existing business because of more satisfied customers
- increase the penetration of new large accounts

Marketing Value Added Services shows the distributor how to identify opportunities that are available to him, as well as what the value might be in specific selling situations.

Successful Inventory Management For The Wholesale Paper Distributor

Gordon Graham's two-day seminar answers the "When?" and "How much?" to buy decisions for stock material.

Participants will learn: How to buy ahead of a price increase; how to identify; how to dispose of dead stock; what screening process to apply when adding new items to stock.

The program, *Successful Inventory Management For The Wholesale Paper Distributor*, is also designed to provide techniques for improving service and turnover, figuring supplier lead times, who should staff the receiving department, how to measure improvement, when to disqualify a sales history, how to make the computer and personnel a "team," and much more.

The Keys To Growth As A Sales Manager

Michael Ibison will show participants how to put management abilities to the test and find out how to foster excellence in the company's sales team! This two and one-half day seminar offers a unique approach to sales management training. The course focuses on selecting, managing, controlling and directing sales personnel with emphasis on current trends in sales and sales management.

The program is specifically designed to: Increase personnel sales proficiency; provide understanding of sales motivation; better enable the direction of the sales force; give direction in developing sales strategies; enhance the development of individual sales people.

Telemarketing - The Key to Maximizing Your Sales Efforts

Skyrocketing outside sales costs, lack of sales time to penetrate existing accounts, much less prospect and the trend toward emphasizing inside sales to meet customer

EDUCATIONAL PROGRAMS

needs have made telemarketing a concern for most paper distributors today.

Michael Ibison's one-day *Telemarketing - The Key to Maximizing Your Sales Efforts* deals with all the vital aspects of conceiving, building and operating a telemarketing operation within a paper merchant firm to a successful and integral part of an overall sales effort.

Find out how to train telemarketers, how to keep them organized and how to set up a cost-effective follow through system. This seminar is important for all.

Conferences

Maximizing The Potential Of Multi-Branch Logistics

This two and one-half day conference will focus on opportunities and problems of managing and expanding multi-branch locations. The multi-branch paper merchant firm will be discussed from a number of points of view. Among them are:

- *Inventory Management*. How are branches stocked? When does inter-branch transfer make sense? How can inter-branch transfer be done effectively?
- *Warehouse Design and Layout*. What are the new trends in construction? Should multi-branch firm warehouses be any different from those of single house locations?
- *Computerization*. The more locations a merchant has, the greater the need for a sophisticated system that facilitates adequate communication, management and control among those branches and headquarters. What are the major computer issues, and how are they being dealt with?
- *Branching Strategies*. When should one be added? When one be closed down? Where are they opened? How are they maximized?

Trends In Paper Distribution Computerization Conference

The purpose of this two and one-half day conference is to show paper distributors new developments and trends and paper distribution computerization. Each of the conference workshop sessions is designed to give paper merchants skills and knowledge needed to deal effectively with today's new technology.

The customized workshop sessions are conducted by paper merchant EDP users, paper merchant executives from firms that have specialized in specific areas in computerization, and vendors (hardware/software) who have customized programs for paper distributors.

Special features for the first-time user include:

- Computer literacy - what you need to know
- What a company should do internally to determine their computer needs
- How and why to select specific software and hardware vendors
- How much fire power is needed - micro vs. mini
- Means to achieving more accurate inventory, better inventory turns, accounts receivable terms, price listing, special costing, budgeting and financial reporting
- Gross margin control

Special features for the sophisticated user include:

- Customer Profitability Analysis
- Salesmen's use of personal computers
- Discussion of new software application
- Improved computer management
- Multi-branch applications
- How the computer can assist in telemarketing
- Electronic transmission of data from merchant to mill
- Future trends

As an added feature, there will be hands-on use of hardware/software at an exhibition.

Sales Development Conference

Growth of a paper distributorship rests in part with successful implementation of sales development and strategic utilization of personnel skills. Ensuring a future workforce of highly skilled, knowledgeable business people is the responsibility of every merchant.

The NPTA Sales Development Conference brings to light many new ideas and programs to help a manager develop his or her staff and keep the company's sales and marketing program growing in the 1980s.

Customized workshops, industry sessions and panel discussions will provide information enabling merchants to develop a specialized sales force and marketing strategy.

This two and one-half day *Sales Development Conference* will provide training in such key areas as:

- the growing cut size paper market
- contract selling
- specification selling
- building profitable supplier relationships
- strategizing for account development
- sales rep development
- incentive programs
- the use of video in training

University Programs

Paper Distribution Management Development Program

This two-week executive development program for middle managers is located at Miami University, Oxford, Ohio. This program consists of a one-week intensive module directed toward strategic planning, marketing and financial aspects of management. The second one-week module, following a six month interlude, focuses on the interpersonal areas of management: time management, establishing effective leadership, individual productivity, performance measurements, organizational communications and team building.

This program uses a variety of teaching techniques: case studies, workshops, lectures. The course is taught by six Miami University professors with unique academic credentials and active consulting background.

Printech Week

This week-long program, held at the Rochester Institute of Technology (RIT), has been designed around the many aspects of the printing processes and the graphic arts. *Printech Week* will help to turn the sales person or sales manager into a knowledgeable consultant by enabling him to understand today's printing technology.

This hands-on participatory program provides in-depth background in:

- pre-press technology
- all printing methods (lithography, flexography, gravure and screen printing)
- the latest non-impact printing

The course is taught by a variety of specialists from RIT's School of Printing and guest speakers from the industry.

1985 NPTA EDUCATIONAL PROGRAMS

Printech Week	Rochester, NY	March 4-8, 1985
	Rochester, NY	October 28-November 1, 1985
Telemarketing — The Key To Maximizing Your Sales Efforts	Chicago, IL	April 9, 1985
	Minneapolis, MN	April 10, 1985
	Kansas City, MO	April 11, 1985
	Seattle, WA	April 29, 1985
	San Francisco, CA	April 30, 1985
	Los Angeles, CA	May 1, 1985
	Memphis, TN	June 4, 1985
	Atlanta, GA	June 5, 1985
	Ft. Lauderdale, FL	June 6, 1985
	Philadelphia, PA	June 25, 1985
	Boston, MA	June 26, 1985
	New York, NY	June 27, 1985
	Montreal, Canada	August 6, 1985
	Buffalo, NY	August 7, 1985
	Baltimore, MD	August 8, 1985
Marketing Value Added Services	San Antonio, TX	April 18, 1985
	Indianapolis, IN	June 11, 1985
Paper Distribution Management Development Program	Oxford, OH	May 5-10, 1985
	Oxford, OH	November 10-15, 1985
	Oxford, OH	May 4-9, 1986
Sales Development Conference	Atlanta, GA	May 14-15, 1985
Successful Inventory Management For the Wholesale Paper Distributor	Chicago, IL	May 29-30, 1985
	Washington, DC	July 9-10, 1985
	Seattle, WA	November 19-20, 1985
Measuring Customer And Product Line Profitability — A Key To Survival And Growth In The 80s	New York, NY	July 25, 1985
	Chicago, IL	September 19, 1985
	Los Angeles, CA	October 23, 1985
The Keys To Growth As A Sales Manager	New York, NY	August 26-28, 1985
Maximizing The Potential Of Multi-Branch Logistics	New Orleans, LA	September 10-12, 1985
Trends In Paper Distribution Computerization Conference	St. Louis, MO	November 6-8, 1985

EVENTS

MARCH

4-8. *Printech Week, Rochester Institute of Technology, Rochester, NY. Contact NPTA.*

APRIL

9. *Telemarketing - The Key To Maximizing Your Sales Efforts, Chicago, IL. Contact NPTA.*

10. *Telemarketing - The Key To Maximizing Your Sales Efforts, Minneapolis, MN. Contact NPTA.*

11. *Telemarketing - The Key To Maximizing Your Sales Efforts, Kansas City, MO. Contact NPTA.*

Professional Selling Skills

NPTA offers member firms an excellent on-site training program developed by Xerox Learning Systems and customized for the industry by the Association. Over 3,000 paper merchant sales people have profited by this program to date.

For more information on this and other training programs offered by NPTA, contact the Education and Training Department at (516) 829-3070, or write: Bruce Linden, director, Education and Training Department, NPTA, 111 Great Neck Road, Great Neck, N.Y. 11021.

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IMPROVE THE EFFICIENCY OF OPERATIONS—
Rapid on-line access to information allows questions to be answered while the customer is on the phone. Information changed in one area is automatically changed for all other areas; all of your people see the same information. Warehouse paperwork is created in picking sequence and only items available in stock are indicated as being available to be picked.

REDUCE INVENTORY INVESTMENT—
Buy the right items at the right time in the right quantities; PAPERSOFT forecasts sales based on demand history, as distinct from sales history, and uses historic leadtimes, costs, and current stock status information. Accurately record all inventory transactions; PAPERSOFT handles all the quantity conversions, order history, backorders, and lost sales. PAPERSOFT provides turn reports and allows both cycle and wall-to-wall physical inventories.

IMPROVE CASH FLOW—
PAPERSOFT automatically sends "over credit limit" orders to the credit manager for approval. Also, with PAPERSOFT you can send invoices with the shipment or create them the same day as shipment for mailing. And because all the pricing, amalgamations, taxes, and totals are done by the computer, invoicing errors are practically eliminated.

ENHANCE MANAGEMENT CONTROL—
PAPERSOFT provides inventory, sales, purchasing, or accounting information in a timely manner, accurately compiled, and with minimum effort. Ad Hoc reporting features allow you to see this information in the manner that is most useful for your specific evaluation and decision making.

PAPERSOFT was developed by the ComputerWorks in conjunction with Seattle based West Coast Paper Company to meet the specialized needs of Industrial and Printing Paper Distributors. For detailed information, or to arrange for a demonstration, please call the ComputerWorks collect at (206)828-6787.

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NPTA MANAGEMENT NEWS

MARCH 1985

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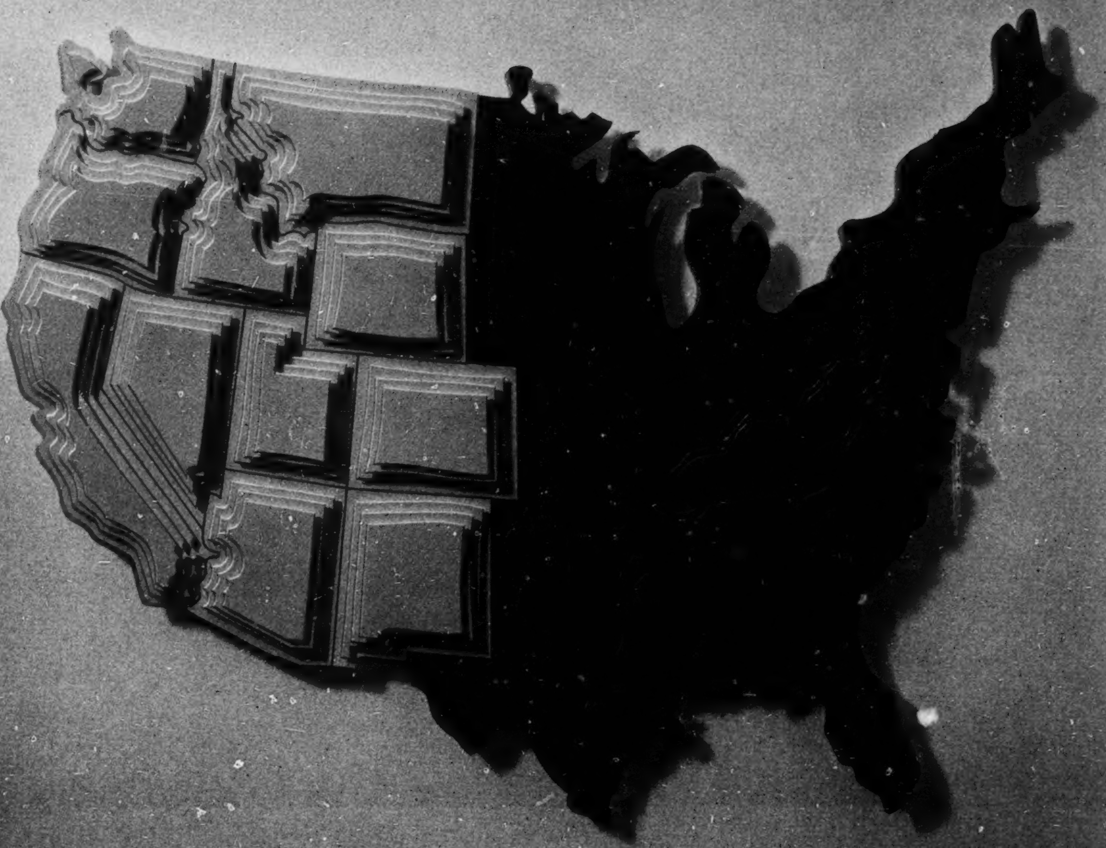

There is a new printing paper distribution group in the industry, one with **nationalregionality**—the service orientation and responsiveness of a regional distributor backed by the resources and continuity of a national organization. It's new, and it's one hundred-and-fourteen years old. It's the Printing Paper Unit of the Crown Zellerbach Distribution Group, and it's steeped in the tradition of good service, integrity and value that is the Crown Zellerbach name.

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Imported paper is playing a larger role in the merchant's product mix.

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International Paper Company

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UNIJAX LAUNCHES PRIVATE BRAND PRINTING PAPERS

Months of rumors were dispelled recently when Unijax, Inc., a major distributor of printing papers and graphic arts supplies, unveiled for the first time publicly a revolutionary plan to break away from some of the traditional mill distribution methods. Designated "Project Neptune," the plan calls for the introduction of Unijax specified and produced lines named along a nautical theme (Main Sail, Keel Master, Astro Lux, etc.) that will replace previous mill regulated products.

"Our company has been a driving force in leadership and innovation for nearly a century," stated Unijax marketing vice president John Fox. "Methods and systems used by many of our competitors were first created and developed by Unijax. Our customers know that being a 'me-too' is not our style, and never will be. Our objective has always been to provide the best products available at an economical cost. A responsibility we hold dear is to protect the trust and confidence our customers have in Unijax leadership."

"For that reason over the last two years, under the confidential code name 'Project Neptune,' we have analyzed many products of mill suppliers we represent in consideration of the ever changing and highly competitive printing marketplace. We arrived at the conclusion that Unijax should introduce and distribute a line of our own carefully selected paper and grahic arts products manufactured to our own strict specification, offering our customers top quality at competitive pricing." Upon completion of the analysis phase of "Project Neptune" last February, according to Fox, it was determined by Unijax management that a planned, controlled, phaseout of certain mill's products and the corresponding introduction of new product replacements in private label and mill branded, should begin immediately.

Programs such as the introduction of Keel Master and Main Sail Offset Enamel and Cover papers were first tested in selected key markets during 1983 and 1984. These are soon to be introduced in all markets. "Other products," stated Fox, "needed to complete the project are scheduled for introduction during the first quarter of 1985. These will include a premium gloss enamel text with matching cover in three versatile weights. A superior line of cast coated C-1-S litho and cast coated C-1-S cover in .008, .010, and .012, including tints. Other products are still in development and will be announced as they become ready for market introduction , but all are planned for completion by the 'Project Neptune' target date of April 1, 1985."

Fox commented that "Neptune" was part of a new, aggressive marketing position for Unijax in the printing and graphic arts marketplace. "This is only the beginning of things to come," continued Fox, "for Unijax and the printing industry. Two years ago, we introduced CopySaver, a premium grade copy paper, that has taken the market by storm. In 1984 alone, CopySaver copier paper gained a 14% share of that market. Testing is now complete on a commodity grade copy paper under the DigiCopy label. This paper will be less bright, but have the same qualities, and carry the same unique guarantee our customers have accepted and learned to expect." DigiCopy is set for system-wide introduction during the second quarter of 1985.

This is only the beginning of things to come . . .

A line of computer paper, as well as toner and developers for the copier market, will also be introduced. Papers such as Uni-Mate Pressure Sensitive, NCR Paper Brand of Carbonless, fancy finished text and covers, premium sulphite and rag content writings, are all among a select group of specialty papers scheduled for emphasis.

A centralized group purchasing plan coupled with a unique distribution system will revolutionize the Unijax graphic arts supplies and equipment division. Many of these graphic products will be marketed under a private label. One such product with testing completed is the CopySaver Two-sided Negative Plates for the duplicator/offset press. All printers participating in testing the CopySaver Plate line gave very high marks.

"Our CopySaver Negative Plates are now ready for full distribution. Other litho supply product lines are in the final testing phase to be formally introduced next month," said Mr. Fox.

He concluded by stating: "The most difficult factor in the overall 'Neptune' project was the need to keep most of the development under wraps, allowing for proper testing of new products while not disrupting the supply of products to major customers from those products identified for elimination.

"With the rumors running rampant, especially in the face of our decision to temporarily discontinue paper and graphic arts supplies in Atlanta, I wanted to let our customers, and we must add," Mr. Fox stressed, "our competition know, that with the Unijax aggressive approach to 'Project Neptune,' we will continue to be the leader in innovative distribution and supplier of premium quality products at an affordable cost."

Present Unijax distribution of printing products consists of twenty-seven branches servicing customers in fifteen states. In addition to private label products, Unijax continues to distribute top quality products from the most prominent paper mills and manufacturers of litho supplies and equipment in America. Among these are Appleton, Agfa-Gevaert, Beveridge, Azoplate, Cedartown, Baumfolder, Central, General Photo Products, Crane, Inmont, Gilbert, Kendall, Hammermill, Kodak, Howard, 3M, Lincoln, Michael Business Machines, Nashua, Nuarc, Nekoosa, Reeves, Olin, Sandmar, Scott, Shade, Townsend T-51, Valentine, Varn, VGC, S.D. Warren, Williamhouse, Baseline, Miami Papers, GTI, Fraser, Linweave, Union Camp, Glatfelter, Wausau, Plainwell, Watervliet, among others.

Unijax is a wholly owned subsidiary of IU, a diversified service company with major interests in transportation, environmental, agribusiness as well as distribution.

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GENERAL MANAGER
OF ARROW PAPER
SOMERVILLE, MA

ARCHY PENNA
OWNER
OF ARROW PAPER
SOMERVILLE, MA

CAN TWO GENERATIONS AGREE ON A COMPUTER?

I CARE HOW IT WORKS. It allows me to watch the pricing on ten salesmen. By monitoring price changes and pinpointing shaky pricing levels before invoicing, we have increased our GTM by several percentage points. We get our bills out faster, and close the month on time. Inventory forecasting helps me buy better, turn the inventory faster, and keep slow-moving items to a minimum. All without any in-house programmers or specially trained people.

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ROCKFORD WHOLESALE PAPER COMPANY JOINS NPTA

Congratulations and welcome aboard to Rockford Wholesale Paper Company. The company was established in 1919 and operates a 20,000 square foot warehouse at 611-613 Chestnut in Rockford, IL.

The industrial distribution company has 11 employees. The president of the organization is Mark A. Sullivan.

BUTLER PAPER ANNOUNCES NATIONAL NAME CHANGE PROGRAM

F.G. Walker, president of Butler Paper Company, announced that the company's divisions that are not already operating as Butler Paper have taken the Butler name in February. Butler Paper is one of the nation's largest distributors of business and fine printing papers, with full-service distribution centers in over 60 U.S. cities. Eighteen locations have been affected by the name change.

Much of Butler Paper's growth over the last several years has taken place through acquisition, and the companies that joined the organization have continued to do business under their own names. Commented Walker, "Our philosophy has always been one of decentralized management, with each division having enough autonomy to be able to serve its own market effectively. This name change does not reflect any move away from that philosophy." At the same time, he noted, a single national identity has become desirable. "Having all of our locations united under the Butler name will allow each one to capitalize on the company's growing visibility.

There are five names that changed to Butler Paper in February: Consolidated Marketing Inc., Barton Duer & Koch Paper, Triquet Paper, Beene Paper, and Lone Star Paper. The largest group involves Consolidated Marketing Inc., which joined the Butler organization in 1982. CMI distribution centers are located in Alexandria, Baton Rouge, Lafayette, Monroe, New Orleans, and Shreveport, Louisiana; Little Rock and Fort Smith, Arkansas; and Lufkin, Longview, Tyler and Texarkana, Texas.

Barton, Duer & Koch Paper, with distribution centers in Washington, D.C. and Baltimore, Maryland, also became part of Butler in 1982, followed by the Triquet Paper Company (Lansing, Michigan) in 1983. Beene Paper (Tulsa, Oklahoma) was added in 1972, and Lone Star Paper (Austin and San Antonio, Texas) in 1974.

The only exception to the name change program will be Chatfield Paper, located in North Haven, Connecticut. Chatfield, with branch offices in Springfield, Massachusetts, and Providence, Rhode Island, joined Butler Paper in December 1984, and will continue to do business under the Chatfield Paper name.

All of the Butler locations stock a full line of fine printing papers and a wide variety of business papers. In addition, many of the locations handle industrial paper and sanitary maintenance products. In all cases, inventory is tailored to fit the needs of the individual markets.

Butler Paper is a company of Great Northern Nekoosa Corporation. Together with Mail-Well Envelope Company (also headquartered in Denver), it forms the paper distribution and converting segment of GNN's business, accounting for over $600 million in annual sales. Nationally, Butler Paper and Mail-Well Envelope employ approximately 3000 people.

NEKOOSA ENVELOPES CHANGES NAME

Nekoosa Envelopes, Inc. currently operates 11 plants in New York, Illinois, Tennessee, Colorado, Texas, Utah, Arizona, California, Oregon and Hawaii. Although these have done business under their original names for many years, a decision has been made to adopt one name for all plants and for the company to give it a solidified national image.

On February 1, 1985 Nekoosa Envelopes, Inc. changed its name to Mail-Well Envelope Company. At the same time, three Rockmont Envelope plants in Utah, Southwest Envelope in Arizona, Heco Envelope in Chicago, and The Photo Envelope Division in Rochester, New York also began using the Mail-Well name.

The Wisco Envelope operations will not be using the new name.

BOISE SELLS ENVELOPE DIVISION TO GNN

Boise Cascade Corporation announced recently the sale of its envelope division to Great Northern Nekoosa Corporation. This purchase will mark the departure of Boise Cascade from envelope manufacturing.

The sale includes envelope manufacturing operations in Rochester, NY; Cleveland, OH; and Allentown and Pittsburgh, PA. Great Northern Nekoosa will operate all four of these plants as part of its Mail-Well Envelope Company.

In a related item, Great Northern Nekoosa has announced the elections of James G. Crump and Francis G. Walker as vice presidents of the corporation. In addition, Mr. Crump and Mr. Walker will continue in their present operating positions as executive vice presidents of Nekoosa Papers, Inc., a subsidiary of GNN.

BIG PAPER BUSINESS IN COUPONS

Consumers are using coupons more than ever. 168 billion coupons were distributed last year. This is an increase of 18% over 1983 figures reports American Can Company. Their study of the coupon trade, reported in the *Wall Street Journal*, stated that they expect coupon distribution to be up by another 15% this year, and may top 400 billion by the decade's end.

Coupons *are* being used. An A.C. Nielsen survey last year found that 79% of all households redeem coupons regularly compared with only 65% in 1975. The retail value of all coupons redeemed last year was $2.2 billion—each having a face value of about 26 cents. That is up from a 1980 average of 18.5 cents.

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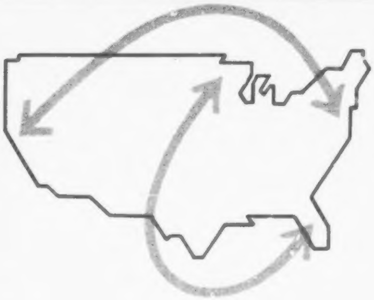

Professions Unlimited is a 13 year old recruiting firm specializing in the paper distribution industry with emphasis on flexible packaging, fine paper and industrial supplies. Professions has placed over 100 people in these areas since 1981—from New York to California, Minnesota to Florida. 80% of those placed were experienced in the paper merchant trade, the remainder were from manufacturers serving paper merchants.

To find out how you or your firm can benefit from our services contact Carl Coco, Jr., CPC, Executive Vice President or Philip R. Gross, CPC, Vice President National Accounts.

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Potlatch
MISSING KIDS
ALTA-DENA
vitamin D milk

PAPER MILK CARTONS HELP LOCATE MISSING CHILDREN

Potlatch Corporation and Southern California's Alta-Dena Dairy have unveiled their campaign to aid in the nationwide search for missing children. They have begun printing photographs of the children on the side panels of their half-gallon cartons.

Alta-Dena, in cooperation with the Los Angeles County Sheriff's Department, plans to publicize two missing children each month on the 400,000 half-gallon containers it distributes to supermarkets throughout Southern California. Each carton will display the names, faces, descriptions and last known sightings of the two youngsters, along with the telephone number of the sheriff's department.

State officials said that as many as 24,000 children were reported missing in California last year. All but 1,600 of the youngsters, many of them runaways, were found or returned to their families voluntarily, but law enforcement officials hope the Alta-Dena program, and others like it, will help them locate children who are still missing and prevent future disappearances.

According to California's assemblyman Gray Davis, who supports the program and plans to introduce legislation calling for tougher criminal penalties in child kidnapping cases, "This type of program may prompt parents and kids to talk about how to deal with strangers and strange situations... There are few things more prominent on a breakfast table than a carton of milk."

The concept of printing the photographs of missing children on milk cartons first originated last year in the Midwest, with one of the first companies being the Hawthorn Melody Dairy of Wisconsin. The first of their milk cartons were distributed in the Chicago area and within a couple of weeks, the Chicago police department had received over 20 leads.

This type of campaign may be just the beginning, according to Potlatch officials. The use of paperboard milk cartons to educate the public about important social issues is an idea whose time has come.

UNISOURCE REPORTS 1984 REVENUES UP 25%

The largest paper distribution company in the country, Unisource, reported that 1984 gross revenues reached $1.35 billion—up 25% over the previous year. According to the Alco Standard annual report (the parent company), Unisource has sustained a 13.1% five-year compound growth rate in revenue.

The report stated that 1984 saw a decline in its gross trading margin due to competitive pressures and changes in sales mix. But, tighter expense control, improved data processing efficiencies, and the consolidation or closing of marginal facilities allowed a reduction in operating expense from 75.2% of their gross trading margin in 1983 to 74% last year.

As a result of the strong sales gains and reductions in operating expenses, operating income for 1984 increased 23% to $48.3 million. Overall, the paper products group has increased its return on investment from 23% in 1983 to 26.5% last year.

PEOPLE IN THE NEWS

Frederick B. Callahan has been elected president and chief operating officer of Colony Papers, Inc. of York, PA.

Joel Farkas has become a partner of the J. Liberman Company of Bayonne, NJ. **Margaret Guida** was named administrative manager, **Carol Bergalowski** has become customer service supervisor and **Helen Romanowski** is now purchasing director. **Frank Hallamek**, partner and secretary-treasurer of the company will retire.

Richard Hamilton has been named director of marketing, fine papers for Carpenter/Offutt.

William H. Snyder, Jr. has been appointed branch manager of Virginia Paper Company's Fine Papers Company division in Little Rock and Rogers, AK.

Arnett Leslie, retired president of the Leslie Paper Company of Minneapolis, MN, passed away February 5, 1985 at the age of 93. He was president of NPTA, 1934-35.

John A. Georges has been elected chairman of International Paper Company. He will continue as CEO. **Paul H. O'Neill** was elected president.

Henry F. Frigon was named chief operating officer of Batus, Inc., the parent company of Appleton Papers. He is in line to succeed **Charles McCarty** as chairman and CEO when he retires at year's end.

Joe L. Cooper has been elected president and CEO of the Container Corporation of America. He succeeds **Robert O. Swanson** who was named executive vice president for international refining and marketing operations for Mobil Oil.

Kenneth G. Haggerty was elected vice president and sales manager-primary products for Gilman Paper.

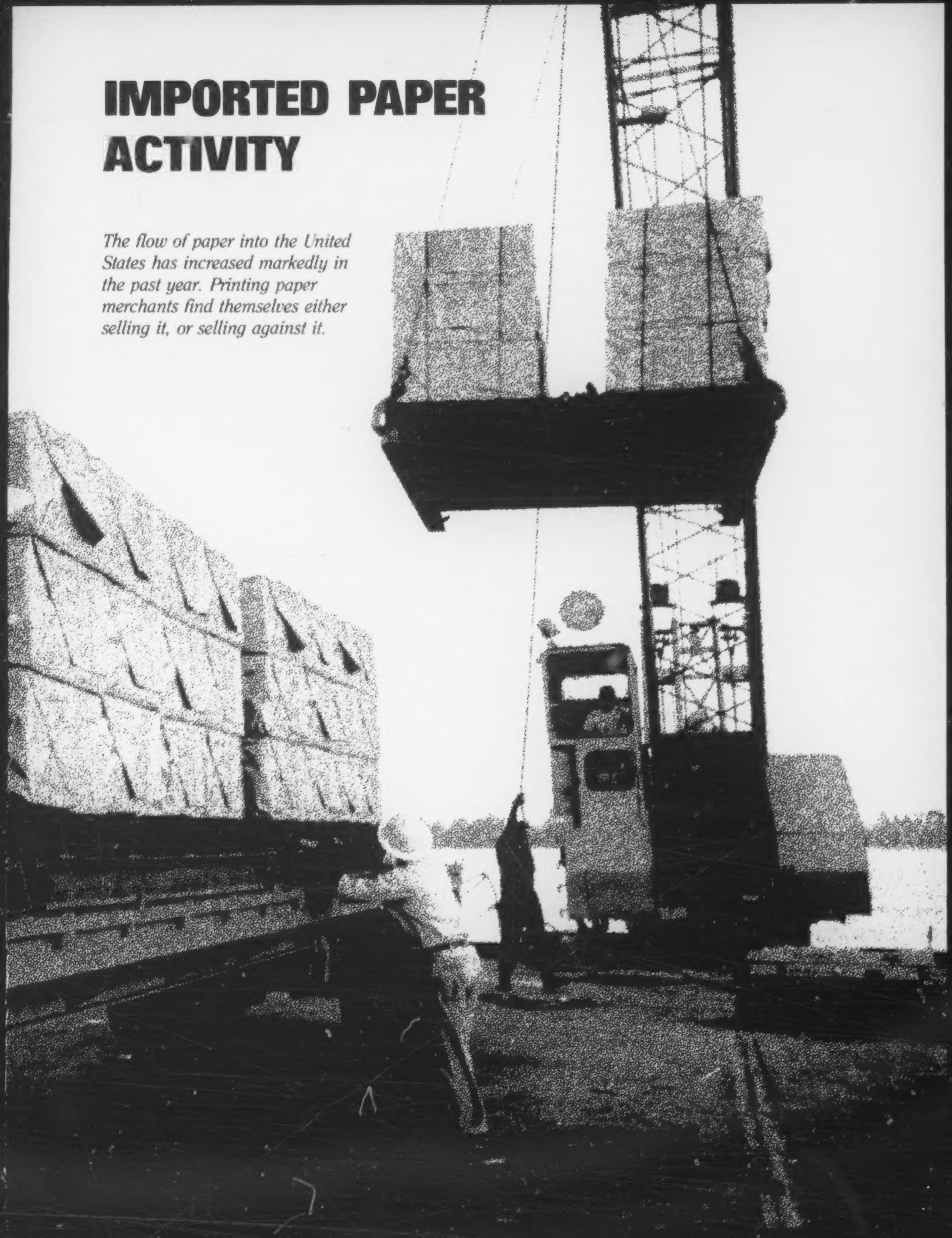
Ronald W. Joscelyn was named vice president, sales for the Curtis Division of James River.

Dr. James J. McKeown was appointed division vice president, Industrial Specialties Division of 3M.

Jerome F. Tatar has been named vice president of marketing for the Mead Corporation. He was formerly president of Mead's Gilbert Paper unit.

IMPORTED PAPER ACTIVITY

The flow of paper into the United States has increased markedly in the past year. Printing paper merchants find themselves either selling it, or selling against it.



PAPER DISTRIBUTION'S CHANGING

Question: What weighs 854 billion pounds and arrived in America last year?

Answer: Imported coated paper.

It sounds like a great deal of paper, but it only represents about 6½% of the total amount of coated printing paper consumed last year in the United States. Then why all the fuss over the international paper scene? It is more than just paper that is involved...much more.

There is no secret that the importation of paper is a trend that is growing. Imports of coated paper jumped 176% in 1984 over 1983, reports the American Paper Institute (API). And uncoated free sheet imports more than doubled.

When talking about imported paper, one must go out on the street and ask the merchants who sell it, or sell against it. They know that imported paper is becoming a significant factor in the printing paper marketplace, especially on the coated side.

It is clear that European paper makers have been interested in the U.S. paper trade for many years. But there have been a number of new developments that are worth noting. Dr. Irene Meister, vice president-international for API tracks changes taking place in the import of paper. She said, "The new development in 1984 was the sudden and unanticipated influx of uncoated free sheet paper from the less developed countries, specifically Brazil and Mexico. There are many reasons for this, chief among these are price controls and subsidies in the exporting countries, and the strong U.S. dollar. Export prices in Brazil and Mexico are *not* controlled so they found an outlet where they could get a better price—the United States."

The economic realities of the world market brought the U.S. quite a bit of paper, especially from Europe and South America.

Paper moves to the United States from foreign shores.

The European Connection

For many years, European papers have been marketed in the U.S. with limited success. There have been a number of reasons for this. As markets for paper on both continents fluctuated, American merchants became skeptical about the constancy of their European supply line. Could it be relied on in the face of changing market pressures here and abroad?

Some merchants who tested the international waters soon found themselves high and dry, and without paper to sell from their European connections. Most never tested the waters at all.

But now things are different. Some say *very* different.

European paper manufacturers have been pursuing the American market vigorously for the past 18 months with greater success. The reasons for their success are these: the tight American supply situation in certain grades of printing paper has caused merchants to look elsewhere to find paper to sell; the strong U.S. dollar has attracted European manufacturers; and most importantly, some European paper mills have now begun to allocate a portion of their production for the American market.

This last reason is the most revealing. These manufacturers are telling American paper merchants that they are here to stay. Is this giving them new success? Peyton Shaner, vice president-printing papers for the Henley Paper Company in Greensboro, NC thinks so.

"We have been selling a European line (Star) for almost a year. The reason why I hesitated so long is that I remembered how the European mills came and went. When things got better in the states, they disappeared. The difference now is that they are committing themselves to the American market. They are doing things they've never done before," Shaner said.

U.S. Redistribution

An American merchant can buy printing paper directly from an overseas mill if he can place a large quantity order. This is often quite difficult for most. The alternative is to purchase paper from an importer who has set-up a good pipeline. The U.S. merchant then deals almost exclusively with his importer.

INTERNATIONAL SCENE

Paper Sources International (PSI) is one such organization. Well connected with a European supply, PSI has made it easy for their selected merchants around the country. Raymond E. Weaver, president of The Brewer-Chilcote Paper Company operation of Cincinnati Cordage has been selling Zanders paper supplied to him from PSI for about two years. "Anyone would be concerned about their relationship with a foreign mill. But, I feel that the combination of B-C, PSI and Zanders is an unbeatable team. We have found the folks at PSI and Zanders a pleasure to deal with."

The redistribution system is arranged so merchants are given an exclusive in their areas. This helps the merchant solidify business for the foreign paper he sells.

The American Standard

According to a number of U.S. merchants, the problems with the European connection goes beyond the reliability of the source of supply. "We chose to do business with the manufacturer who produces products to American sizes and weights, and also follows an American packaging program. When you're out there selling paper, the metric size and weight question is one less thing to worry about," said Peyton Shaner. "There is enough resistance to foreign paper the way it is. Having American sizes certainly helps."

PSI's Zanders line is not manufactured to American size and weight standards but this has not caused marketing problems for the merchants who deal in these products, reports Raymond Weaver. His company specializes in working with specifiers. "All the size question meant was educating our design customers to these sizes so they might take the best advantage of the sheet. These high quality coated printing papers run very well on American presses and so printers have no difficulty with them."

But there are those who disagree. Elwyn Lieberman, president of the Allan & Gray Company, a New York City paper merchant who deals almost exclusively with specifiers, does not sell an imported sheet. "The problem as I see it is that the European coated papers carry more coating (and less fiber) and so the ink drying times are longer. It doesn't fit the standards of what we do."

"I don't want to buy high-line coated from offshore because the art is unusual [to metric size sheets], the separations are different, the inks are different, and I don't have any control of the manufacturer. If a printer puts on certain tack inks in a certain sequence on a sheet of paper to

U.S. PAPER IMPORTS
(Million Tons)

Year	Coated Paper	Uncoated Free Sheet
1976	15	134
1977	112	155
1978	214	113
1979	189	142
1980	115	119
1981	39	119
1982	69	157
1983	162	223
1984*	427	476

*Annualized based on 11 months.

Source: U.S. Department of Commerce & American Paper Institute

U.S. PAPER IMPORTS
(Million Tons)

Paper Grade	1982	1983	1984*
Paper, Paperboard & Products	7,603	8,509	10,599
Printing & Writing	764	1,151	2,040
Uncoated Groundwood	515	732	1,074
Uncoated Book	143	154	254
Coated Printing & Impression Paper	29	162	397
Writing & Similar Paper	26	81	261
Thin (except cigarette)	11	20	53
Total Packaging & Other Paper	80	108	152
Unbleached Kraft	23	42	47
Other Packaging & Industrial Paper	57	66	105
Tissue	7	12	22
Converted Paper & Paperboard Products	107	152	214

*Annual rate, YTD, based on data Jan.-Aug.

Source: U.S. Department of Commerce

which he's not familiar, he will get a different result. This is the type of dialog [with my customers] that I don't need," Lieberman concluded.

But many *are* having success with imported paper products. And there is nothing wrong with a paper that is a bit different (many say "better"). Does it require extra effort for the printer? Bill Lamparter, president of Printcom, a consultant and printing industry specialist, does not think so. "You have to learn how to run the sheet. Once you've learned the difference, it works just fine. There's nothing wrong with the paper. There are some changes in ink holdout characteristics as there are differences in the way the sheet handles on press. So, you have to make the ink, paper, plate and blanket work together as a system. And once you've done that, there's no problem."

Is It Just For The Large Distributor?

Can a small paper merchant sell an imported sheet? According to most paper merchants selling imported paper, the answer is no. A merchant must be of a sufficient size to convince the supplier that his company will move the necessary volume.

William Carrier, president of Queensboro Paper Company, a small printing paper merchant in Jamaica, NY, agrees with this perspective. "I'm too small a merchant to buy the tonnage necessary. I can purchase imported paper from another merchant and resell it. But, one experience I had got me fairly beat-up paper, so I don't go looking for it."

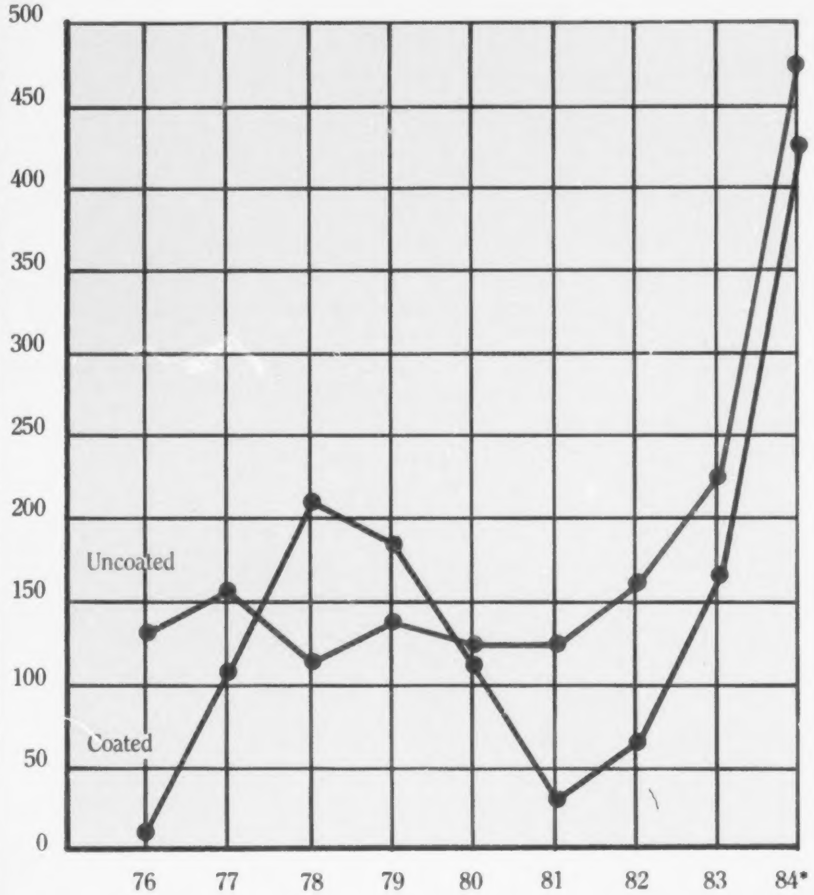
"I am seeing more and more imported paper in the marketplace to compete with," Carrier said. "I don't think it's going to go away; it's something we're going to have to live with."

What's Ahead

Is imported paper here to stay? The incredible growth in paper imports during 1984 gives rise to the question. Strategic futures forecasts an expected shortfall of printing and publication grades of 550,000 tons this year. This includes coated groundwood #5, coated free sheet #1-4 and uncoated groundwood papers. Their study was based on interviews with paper producers and merchants in the United States, Canada and Europe and major end-use markets.

The reasons for the shortfall are these: limited new capacity increases, foreign sources may not be able to provide support beyond 1984 levels, greater demand by end-use markets, and strong European markets for paper may diminish their exports.

U.S. PAPER IMPORTS
(Million Tons)



*Annualized based on 11 Months

Source: U.S. Department of Commerce & American Paper Institute

(For complete details, see table on top of page 11.)

Paper Import Data

The U.S. Department of Commerce collects data on imports for various grades of fine paper, including: coated printing and writing paper, unbleached and bleached wrapping paper, uncoated book paper, boxes made of paper, paperboard or paper mache, etc. The tables on pages 13 and 14 are a breakdown of paper grade, by country of origin for the nine month period January-September 1984. This is the latest data available. These "imports for consumption" are expressed in terms on net quantity (M tons) and customs value.

At the moment, some industry experts see the amount of uncoated free sheet imports lessening, and they expect that trend to continue through 1985, especially if the dollar loses some ground. Grade substitution will continue as long as there is a tight supply situation. Of course, the American coated paper makers are still operating at full capacity and that should continue in the foreseeable future. By 1986 or 1987, some new coated capacity should be brought on-line. The question is: Will the demand continue to be stronger than the new American supply?

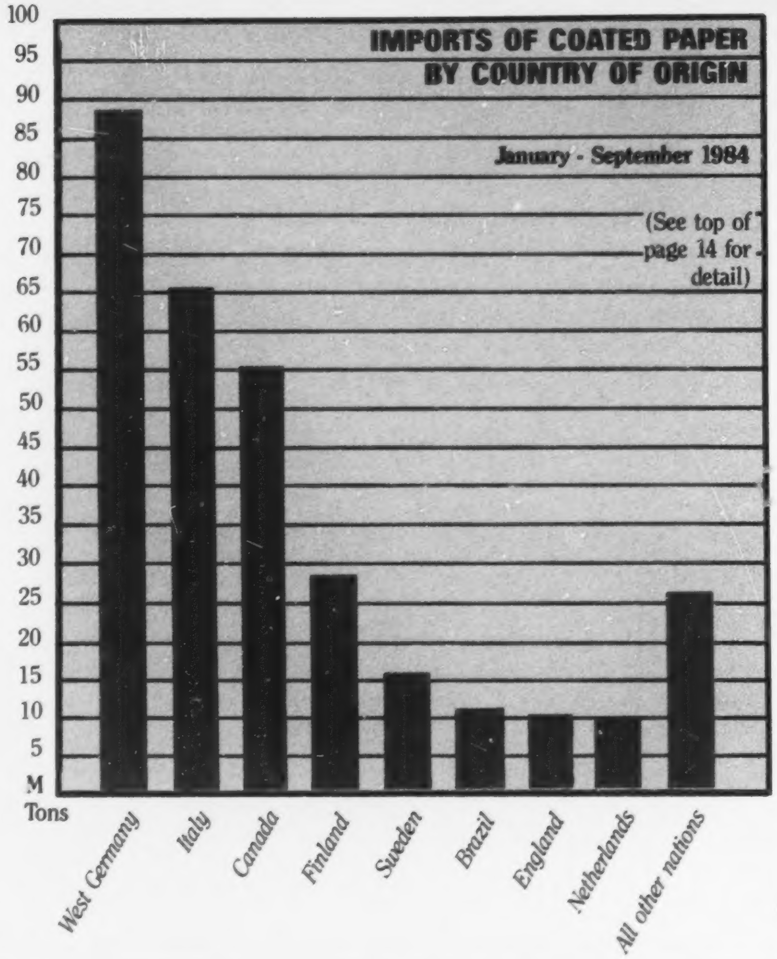
The View From England

The National Association of Paper Merchants (UK) met on November 20, 1984 to discuss the challenges of the year ahead. President Eric Doorbar discussed the current market situation and Charles Bannatyne of Wiggins Teape presented the economic outlook. His conclusions were as follows:

- The U.K. economy is forecast to grow by 2.5% in both 1984 and 1985.
- Inflation is likely to remain in the region of 5-6%, and with average earnings expected to rise by 7-8% consumer spending will continue to grow.
- The business environment will remain intensely competitive despite continued, positive, economic growth.
- The market for printing and writing papers should remain firm to mid-1985 but over the year as a whole demand is unlikely to show significant gains on 1984 levels.
- As 1985 progresses, pressure on paper producers' margins will become more intense as additional capacity and flatter demand trends re-establish a buyers' market for most grades of paper.
- Cost pressures on paper producers will be less apparent, with the probability of stable/falling raw material costs in 1985. This, together with slacker demand growth, suggests a period of weak paper prices.

What Do You Think?

The experience of paper merchants across the country is of great interest to *MN*. If you wish to write to the editor on the topic of imported paper, you may see your letter in a future issue of *MN*. Your views are valuable. Write and be heard!



IMPORTS SUMMARY - JAN.-SEPT. 1984

Major Paper Grades	Net Quantity (M tons)	Customs Value ($ millions)
Coated Printing and Writing Paper (over 18 lbs. per ream)	314	215
Uncoated Book and Printing Paper (not over 10% mechanical wood pulp)	189	119
Uncoated Book and Printing Paper (containing over 10% mechanical wood pulp)	825	408
Miscellaneous Uncoated Paper (not ruled, lined, printined embossed or decorated)	146	69
Wrapping Paper, Bleached and Unbleached, including bag and sack paper (18 lbs. per ream)	59	36
Boxes of Paper, Paperboard or Paper Mache (including those lined with specified materials)	28	62
TOTAL	1,562	907

U.S. IMPORTS OF PAPER BY COUNTRY OF ORIGIN
from The U.S. Department of Commerce
(January-September, 1984)

Country	Net Quantity (M tons)	% of Total	Customs Value ($ Million)	% of Total
Coated Printing and Writing Paper				
W. Germany	89	23	59	27
Italy	66	21	43	20
Canada	56	18	39	18
Finland	29	9	18	9
Sweden	17	5	12	6
Brazil	12	4	6	3
England	11	3	9	4
Netherlands	10	3	8	3
All other nations	27	9	22	10
TOTAL:	314	100	215	100
Uncoated Book and Printing Paper [not over 10% mechanical wood pulp]				
Canada	78	41	52	44
Brazil	19	10	9	8
W. Germany	18	10	11	9
Sweden	16	8	9	7
Finland	12	7	7	6
England	10	5	8	7
All other nations	36	19	23	19
TOTAL:	189	100	119	100
Uncoated Book and Printing Paper [with over 10% mechanical wood pulp]				
Canada	428	52	204	50
Finland	254	31	128	31
Sweden	48	6	24	6
Norway	45	5	25	6
W. Germany	15	2	8	2
All other nations	35	4	19	5
TOTAL:	825	100	408	100
Miscellaneous Uncoated Paper [not ruled, lined printed, embossed or decorated]				
Canada	99	68	30	44
Brazil	25	17	15	21
Finland	4	3	4	5
W. Germany	3	2	3	5
Mexico	3	2	2	3
Sweden	3	2	2	3
All other nations	9	6	13	19
TOTAL:	146	100	69	100
Wrapping Paper, Bleached and Unbleached [including bag and sack paper, 18 lbs. per ream]				
Canada	48	82	30	84
Sweden	8	14	4	12
Chile	2	3	1	2
Finland	1	1	1	1
All other nations	—	—	—	—
TOTAL:	59	100	36	100

WHO'S BUYING AMERICAN PAPER MERCHANT HOUSES?

Foreign and international ownership of paper distribution is a growing trend. Why?

It is clearly not a temporary situation. Foreign interests in U.S. paper manufacturing is a constancy. But now merchants are receiving offers from European and Canadian firms that many have found difficult to refuse.

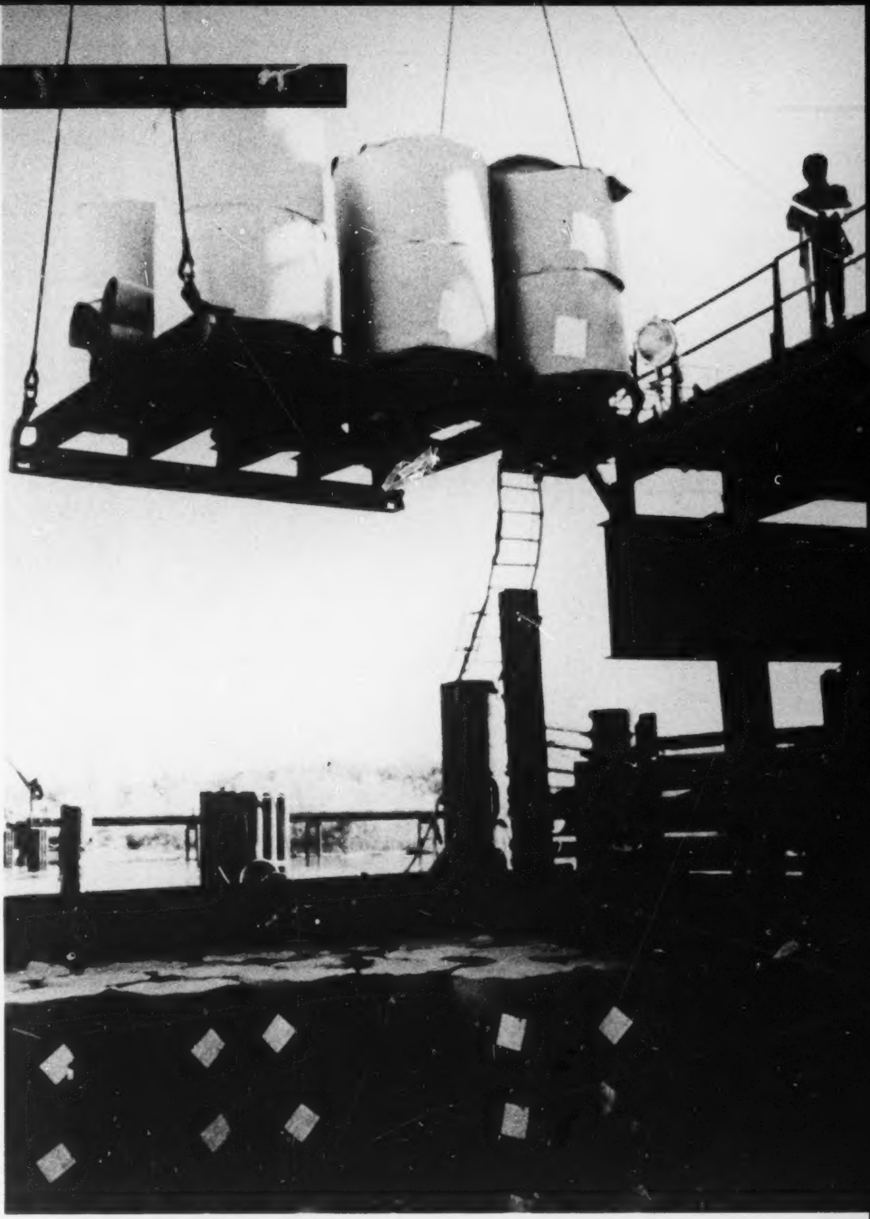
In the past year, a number of paper merchant operations have been purchased and are now foreign owned. Abitibi-Price, a Canadian paper manufacturer, owns the single largest paper merchant in Canada—Inter City Papers Ltd. headquartered in Montreal. Their purchase of Whitaker Carpenter, a Chicago based printing paper merchant having sales of $73 million annually marked its first venture in the United States.

Rolland, another Canadian paper maker that owns distribution in Canada has recently purchased W.H. Smith Paper, a printing paper distributor in Albany, NY and C.H. Robinson, a dual merchant in Portland, ME.

The largest purchase in 1984 was the acquisition of the Lindemeyr Paper Corporation by Central National-Gottesman. The new owner is the world's largest, privately owned pulp and paper company with representatives or offices in 74 countries. Gottesman is expected to have sales in 1984 of over $1 billion.

What is the attraction for international companies? Obviously, the United States is considered a "safe haven" for investment. A stable economy, strong currency, a qualified workforce, ready market for goods and a pro-business government that taxes business at a lower rate than their home countries, makes American business enterprise a very good place to put their money.

Sam Antupit, president of Cartonal-USA, a wholly owned subsidiary of Holzstoff A.G. of Basel, Switzerland, knows the advantages to foreign ownership. His company is seeking to purchase American paper merchant operations. But what about the advantages to the merchant firm after it is acquired?

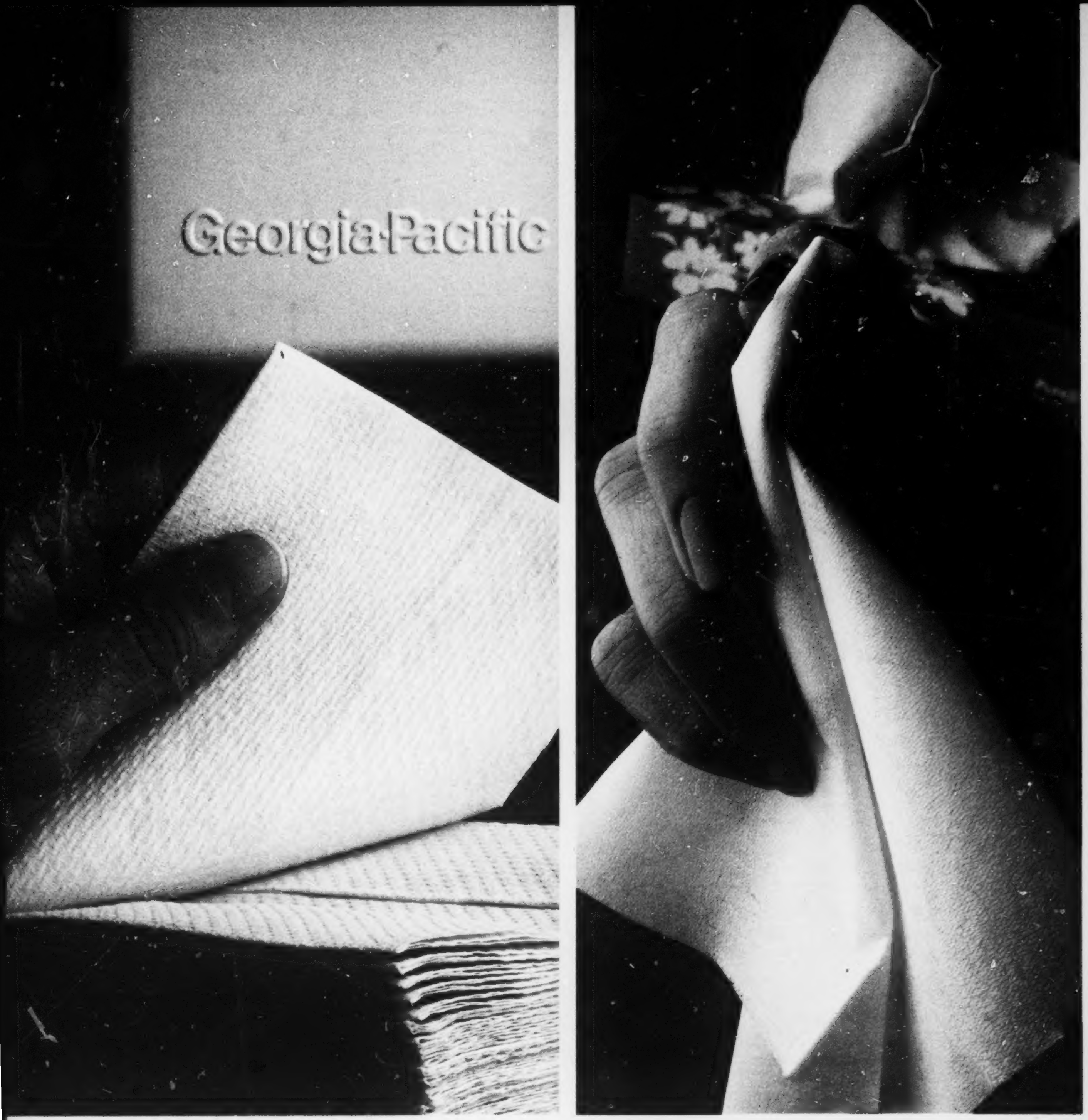


The internationalization of the paper business is about companies as well as commodities.

"It's nice for a paper merchant to be owned by a foreign company because the owners don't get involved in the operation so much. Whereas if an American firm purchases an American merchant house and it becomes a subsidiary, there are a lot of people looking over your shoulder. Foreign ownership is different. You may not see those people for a long time."

John Selig, executive vice president and general manager of W.H. Smith Paper adds another perspective. After his company was purchased by Rolland, he found that there was much more reporting to be done.

"The basic method of doing business is the same. We have some new rules and regulations to follow. This change is good because now at least we know why we're doing things and why we have a warehouse full of paper.



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"Before it used to be that some salesman would come in and make a presentation and it looked good, so we'd buy it. We'd go out and do a job for two months and then the balance of that item would sit here and get moldy. With this new system that just doesn't happen."

National Associations of Other Countries

For those wishing more information on paper distribution in other countries, the following is a list of associations representing paper merchants in nine other countries.

The National Paper Marketing Council of Australia
Suite 8
1 Johnston Lane
Land Cove West, N.S.W. Australia 2066
H.G. Kraefft, Executive Officer

Canadian Paper Trade Association
55 York Street, Suite 512
Toronto, Canada M5J 1S2
Frank Young, Secretary

The National Association of Paper Merchants
3 Plough Place
Fetter Lane
London EC4A 1Al
England
R.W. Bray, Deputy Director

Federation Du Commerce
Des Papiers Et Cartons De France
76, Avenue Marceau
75008 Paris 8e
France
Roger Glineur

The Tokyo Paper Trade Association
Kami Parupu Kaikan Building
9-11 Ginza 3-Chome, Chuo Ku
Tokyo, Japan
G. Yamaguchi, Executive Director

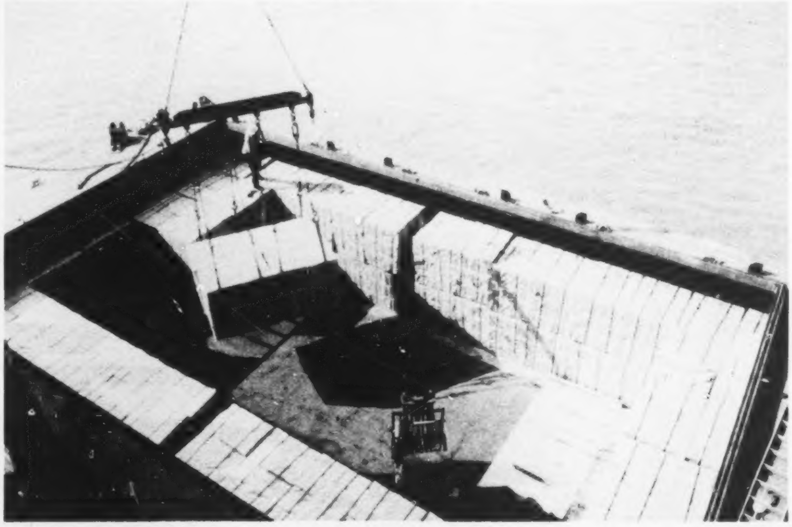
New Zealand Paper Merchants' and
Manufacturing Stationers' Association
IBM Centre
155-161 The Terrace, Wellington 1
P.O. Box 10-340
New Zealand
R.B. Young, Secretary

Papirgrossistenes Landsforening
Drammensveien 30
Hansteensgt 9
P.O. Box 2477 Solli
Oslo 2 Norway
Helge Aarseth

Svenska Pappergrossistförbundet
Swedish Paper Trade Association
Grevgatan 34
Box 5512
114 85 Stockholm
Sweden 08/63 52 80
Telex: 19673
Stellan Minnhagen, Director

Verband des schweizerischen
Papier- und Packmaterial-Grosshandels
Forchstrasse 36
Postfach 290
CH-8032 Zurich
Switzerland
Max Broger, General Secretary

More paper being shipped to American markets.



Did You Know?

- The United States is the world's largest consumer of paper.
- Most imports of printing paper come from Germany, Canada and Italy.
- Most paperboard, papier mache and boxes that are imported come from Canada and Japan.
- Most bleached and unbleached wrapping and sulphate papers that are imported come from Canada and Sweden.
- The United States consumes half of the world's newsprint.
- Three-quarters of all products exported from Canada are purchased by the United States.

Nominations Are Now Open For The

Stanley O. Styles Industry Excellence Award

And The Winner Is. . . .

1984 winner William Zellerbach

The prestigious Stanley O. Styles Industry Excellence Award will be presented at the 1985 Chairman's Luncheon to be held on October 7, 1985 in New York City. This event will be the climax of the NPTA Annual Convention.

Those wishing to nominate an outstanding industry leader should direct their letters of recommendation to: John J. Buckley, Jr., president of NPTA, 111 Great Neck Road, Great Neck, NY 11021. Past nominations will be reconsidered. All nominations must be received at NPTA Headquarters no later than **April 15, 1985**.

Selection Criteria

1. The recipient of the award shall be a paper merchant, paper manufacturer or converter, consultant, or educator who has had a distinguished career in the paper distribution industry.
2. Someone who has had a positive influence on the paper distribution industry: Possibly from the introduction of new management methods, marketing concepts, or new products which have become important in the industry.
3. The award recipient will be one who is acknowledged by the paper distribution industry as a leader and a good representative of the values and traits necessary for the excellent conduct of business.
4. Someone who has been long involved in industry affairs through actions and has supported the industry's trade associations, mills, merchants and affiliated groups.
5. Someone who has been a spokesperson for the industry locally and/or nationally.
6. The recipient will be one who exhibits impeccable character and is a long time, good citizen of the paper industry.

INDUSTRIAL PAPER

CUSHIONING: A BETTER WAY COMING

According to a recent article in *Handling & Shipping* magazine, new cushioning materials will help the industry protect particularly sensitive products such as electronic equipment that needs additional coverage against shock, vibration and electrostatic discharge (ESD).

Arco Chemical Co. and BASF Wyandotte Corp. are each introducing moldable, polyethylene-based materials, while Dow Chemical will soon be marketing a material that is primarily polystyrene-based. This new material is much more flexible than the usual expanded polystyrene, according to Alfred McKinlay, consultant, packaging and handling.

McKinlay claims that because both new cushioning materials are pre-molded, they will be less expensive than the fabricated foam plastic material now widely used. "The materials will also enable the packaging designers to be a bit more clever in their designs," he says.

The two materials are especially applicable to high-volume, delicate equipment, such as electronics and computers. They do a better job in less space, and therefore, are more efficient.

Arco has also found its new product being used as "returnable dunnage." Customers are using it repeatedly, not only for cushioning but for blocking or bracing as well.

Along with the cushioning materials, there have been new developments in foam-in-place material. Several companies have introduced foams that are much more fire retardant, and less of a storage problem in warehouses, according to McKinlay.

In addition, one company is announcing a new, super-light density foam to be used primarily for void-filling or dunnage for lighter products. The big plus is that it will cost less than what's on the market now. The introduction of these products should aid industrial merchants in meeting the needs of their customers and in adding new customers.

WHO'S THE COMPETITION?

One of the many other distributors that are currently becoming greater competition for the industrial paper merchant are the Tobacco and Confectionery Distributors. In recent years, both external and internal forces have caused Tobacco and Confectionery Distributors to seek additional product line commodities. These forces such as social disapproval of tobacco, coupled with lower profit margins because of manufacturers' price increases have caused drastic reductions in volume sales of these products.

According to a recent study conducted by the *U.S. Tobacco and Confectionery Journal*, Tobacco and Confectionery Distributors reported that warehouse space allocation for paper goods now occupy 9.3% of their warehouses, third only to cigarettes (19.4%) and confectionery (29.6%). The next closest product to paper goods are tobaccos (such as pipe, cigarette and chewing tobaccos) at 7.6%. This indicates a strong desire to extend the paper goods area of their businesses. (See chart A).

While the study reports only 11% of their profit comes from paper goods, the only commodities with a larger share are cigarettes (49%), confectionery (33.8%) and lighters (18%). Part of the study asked participants for their opinion of "other merchandise growth potential." (See chart B).

Overall, the product line with the greatest potential for increased sales was groceries at 65%. The probable reason for this is that most Tobacco and Confectionery Distributors service convenience stores, chain drug, supermarkets and restaurants, all of which lend to sales of grocery products. Next on the list was paper goods at 48% and health and beauty aids also with 48%. Due to the changing nature of the distributors' product lines, all three of these categories mean extra dollars in both volume sales and profits because the basic "cash flow" of both cigarettes and confectionery carries their business. As such they are able to sell these products at far less than paper merchants, and grocery and drug wholesalers. However, they are

Chart A

WAREHOUSE SPACE ALLOCATION: TOBACCO/CONFECTIONERY DISTRIBUTORS

(Firm Sales in Millions)

Commodity	Under $25 (%)	$25-$75 (%)	Over $75 (%)	Total (%)
Confectionery	33.8	26.6	32.6	29.6
Cigarettes	17.8	20.3	18.0	19.4
Paper Goods	8.0	10.4	7.1	9.3
Tobaccos	6.8	7.3	9.7	7.6
Cigars	7.0	6.7	9.2	7.3
Other	1.1	6.8	8.8	6.4
Groceries	5.3	5.8	7.4	5.9
H & BA	5.1	5.2	3.2	4.9
Snack Foods	3.7	5.5	1.5	4.4
Restaurant Supply	5.5	4.0	2.1	4.1
Lighters	1.0	1.3	0.4	1.0

Chart B

OTHER MERCHANDISE GROWTH POTENTIAL: TOBACCO/CONFECTIONERY DISTRIBUTORS

		% Groceries	% Paper Goods	% Health & Beauty Aids	% Institutional Foods	% Other
Sales	under $25	67	33	33	67	33
In	$25-$75	67	58	58	25	17
Millions	over $75	75	50	50	25	75
TOTALS*		65%	48%	48%	35%	30%

**Note: Totals exceed 100% due to multiple responses.*

also being hurt by these same distributors because both the grocery and drug wholesalers can sell both cigarettes and confectionery at a lower wholesale price than the tobacco/confectionery distributor can. In essence, the competition between all of these categories is increasing considerably. Many experts have noted that the term of "Master Distributor" will become more and more used as the distributors increase the number and type of commodity lines each carries. Because the current retail and wholesale outlook is a single vendor/single shopping location, the onus will be on the distributor to supply his accounts with all he can. The additional reason for this is that the cost of delivery is growing rapidly. Therefore, the more merchandise delivered the less cost per delivery.

Currently, tobacco and confectionery distributors' "paper goods" product lines include: *Food service:* disposable cups and plates, napkins, table cloths, plastic-ware. *Janitorial:* trash bags, towels, toilet tissue, various wipes. *Packaging:* paper sacks, food service, cardboard containers and boxes. *Cut-size paper:* all sizes, stationery, envelopes, pads. Wrapping paper, crepe paper and other decorative paper.

FOOD: THE NEW PACKAGING TRENDS

According to an article in *Handling and Shipping* magazine, changes in packaging are occurring in the food industry. Multilayered combinations of dissimilar materials provide more effective barriers against moisture and contamination. At the same time, the combinations offer strength, durability and body, notes Dick Blassey, industry analyst for the International Trade Association.

Some examples of the multilayered combinations include the coextruded bottle for V-8 vegetable juice and the thermoform container for Campbell soup. These containers are usurping the metal can and glass container, claims Blassey.

Besides these multilayered containers, aseptic containers are gaining in popularity. In fact, aseptics will make the greatest inroads in the next five years.

In addition, we'll be seeing more of the retort pouch and an increased use of radiation for sterilizing both food and packaging materials.

Lighter packaging for food and beverages is another important development. Substituting lighter weight flexible packaging and plastic containers and jars for metal or glass will sharply reduce transportation costs for many products, according to "Business Outlook," published by St. Regis Corp.

This means lighter pallet loads for the same cubic space and an increased need for stronger corrugated containers to provide protection when the products are moved.

The company also notes that reduced packaging costs will be obtained by improved packaging performance rather than lower cost materials.

Semi-bulk containers are also taking a more prominent place in the food industry. These containers significantly reduce the cost per pound for packaging material. Each container holds 1,000-2,000 lbs., as opposed to 30-100 lb. capacity of a fiber drum, small box or bag.

Product damage is reduced substantially, also, especially with breakable food products. According to Roy Schillaci, sales representative for Connelly Containers, product damage can be cut in half by using one large container properly vibrated down.

He cites the example of a major food company which used about five or six million pounds of crisp rice per year, packed in 30-lb. boxes. During the shipping process, the rice would vibrate and randomly settle, banging down on the bottom layer, causing a great deal of product damage.

With the bulk containers, the product is vibrated under controlled conditions so all the particles interlock. As a result, there is no massive weight bouncing on the bottom layer of the product.

Also, the wall thickness is much greater on the heavyweight 1,000 lb. box than it is on a 30 lb. box. "So you're getting additional cushioning when the product is banged from side to side in a rail, truck or ocean shipment," Shillaci states.

In general, he thinks the industry will experience increased utilization of slipsheets, especially with case goods and bulk boxes.

Like bulk boxes, bulk bags are being used increasingly in the food industry. They often hold chemicals, cement, clay, or agricultural products, carrying from 1,000-4,000 lbs. But according to Andy Mintz, president, Bulk-Pack, "little has changed in the past year-and-a-half. No revolutionary raw materials have come into the market. The bags are still made of woven polypropylene primarily with polyester straps."

PRODUCTION

RECORD YEAR FOR PAPER OUTPUT

"The slow down in general business activity, which began in the third quarter of 1984, resulted in a somewhat slower pace of shipments of paper and paperboard in the closing months of the year. Operating rates in both the paper and paperboard grades slipped behind their very high first half performance as the year ended but were still high," said Louis F. Laun, president of the American Paper Institute in an economic statement released recently.

Despite this modest weakening in the last quarter of 1984, paper and paperboard production reached a new high for the year as a whole. At an estimated 69 million tons, production was 5.6% above the 1983 high," Mr. Laun noted.

Overall demand in several grades was higher than domestic shipments. Heavy demands for some grades of paper were supplied in part by larger imports, that totaled 10 million tons, 24% ahead of last year. In addition to newsprint imports which rose 15%, imports of other grades showed a 75% increase. Imports of paper and allied products totaled 11 million tons, also 24% ahead of 1983. Total exports held close to 1983's 4.5 million tons, the lack of growth caused partly by the high value of the dollar.

Consumers have positioned themselves well to finance increases in spending, particularly in the Spring of 1985.

The overall gain of 8% in the consumption of paper and paperboard conforms closely with the strong trend in business activity that prevailed in 1984, particularly in the first half of that year. Total economic activity, as measured by the real gross national product (GNP) rose by 7%, while industrial production—a good measure of the demand for packaging materials—rose by more than 11%.

1985 Outlook

"The recent slowdown in economic activity," Mr. Laun observed, "does not signal a decline in business but rather a pause that could reflect many uncertainties affecting consumer and business spending decisions. Discussions about tax reform, concerns over the federal deficit and the high value of the dollar, have contributed to uncertainties that may have dimmed confidence to some extent. As a result, individuals are hesitant about borrowing more in this uncertain climate and have instead chosen to increase their savings at a significant rate. Periods of large accumulation of financial savings of individuals are generally followed by expansions in spending about six months later. Consumers have positioned themselves well to finance increases in spending, particularly in the Spring of 1985.

"Interest rates appear to be in a continuing downtrend, helped in part by moderated credit demands and in part by increasing supply of savings and a more liberal monetary policy by the Federal Reserve. They should remain at the lower levels until mid-year at the least. These declines in interest rates will, after a while, encourage spending for durable goods and for housing in particular.

"Real GNP," Mr. Laun continued, "will probably show an increase of 3.5% in 1985. Demand for printing-writing grades of paper will advance a little faster than GNP as it usually does in periods of business expansion.

"Industrial production gains of 11% in 1984 will be followed by a marked slowdown in production in 1985. Inventory requirements are now near normal, and exports continue to be negatively impacted by the high value of the dollar. The gain in containerboard production for domestic use should be close to 4% in 1985, compared with a gain of almost 10% last year.

"Thus, 1985 would maintain the trend of recent years with major strength continuing in the demand for the printing and writing grades of paper and containerboard used largely in the production of corrugated shipping containers," Mr. Laun said.

In the publication grades, the production of coated papers in 1984 rose to 6.2 million tons, 9% above its 1983 high. About half of this total was used in magazines and other periodicals; the remainder went mainly to commercial printers. Among the other printing and writing grades, the major gains were in commercial printing and book publishing. Paper for business forms, including computer print-out papers, also showed good growth. This gain reflected the continued increase in the use of computers in virtually all sectors of the economy, including the explosive gain in installations of personal computers. Copier papers also benefited from the growing number of copying machines installed. Thus, the paper industry has joined the high technology growth trends, and is benefiting from the large explosion in communication that results from its declining cost.

Newsprint consumption was also strong in the United States, rising by about 10%. A good deal of the gain benefited Canadian mills, which increased their exports to the United States by about 13% in 1984; domestic production of newsprint rose 7% and most newsprint mills operated near capacity.

The large rise in industrial production resulted in an increase of almost 10% in the production of containerboard for domestic use. Total production of linerboard, however, was affected by a 12% decline in exports. Increased packaging requirements in 1984 also benefited the boxboard grades, where production increased 8% over 1983.

Wood Pulp

The gain in paper production was reflected in a 7% increase in the production of the paper grades of wood pulp. Market pulp, which accounts for 10% of total U.S. pulp production, rose about 8%. This gain was concentrated in the domestic market, in line with the increases in output of printing and writing papers and tissue in U.S. mills as well as in domestic demand for fluffing grades. Exports increased slightly despite the negative effect of a strong U.S. dollar—rising about 1% above 1983.

Productivity Gains Continued in 1984

"Cost control continued to be a major goal of the industry, and results show success in 1984. For example, the use of fossil fuel and purchased energy per ton of output in the first nine months of the year was 4.4% below the comparable 1983 period. The industry continued the trend toward energy self sufficiency, generating about 55% of its total energy needs from internal sources, a little higher than the 54% so generated in 1983. The combination of higher efficiency and lower fuel prices is a very favorable one for the industry. The industry reduced its total consumption of fuel oil by 62% between 1972 and 1984 while increasing total production of paper, paperboard and dried wood pulp by 33%," Mr. Laun said.

Capital Expenditures

"API estimates that expenditures on plant and equipment to produce only pulp, paper and allied products amounted to $5.5 billion in 1984. (Expenditures made by paper companies for their non-paper divisions are excluded from these totals.) API's recent Capacity Survey indicates that average growth in paper and paperboard capacity during the 1985-1987 years will be 1.6% per year. These additions to capacity, along with the need to replace worn out or obsolete equipment, suggest that the industry's expenditures for pulp and paper facilities alone will have to be in excess of $6.5 billion a year during the next three years.

Cost control continued to be a major goal of the industry, and results show success in 1984... expenditures on plant and equipment—amounted to $5.5 billion in 1984.

Profits Increase

"Financial data for 32 publicity held paper and allied products companies indicate an increase of 18% in sales for the first nine months of last year compared with the comparable 1983 period, and a 71% increase over the low profits of 1983. The 1984 margin on sales averaged 5.6% in the first three quarters of 1984 compared with 3.6% realized in 1983," Mr. Laun concluded.

Wage contracts also continued to show the moderation that began several years ago. Labor agreements signed in 1984 included an average first year wage increase of 3.7%, compared to 5.6% negotiated in 1983. Some unusual features in West Coast contracts contributed to that performance; the average increase excluding the West Coast mills was 4.8%. About 20,000 more employees were on the payrolls in 1984 compared with 1983. The percentage increase was less than the tonnage gain, so that output per employee-hour increased 3.2%.

Educational Programs 1985

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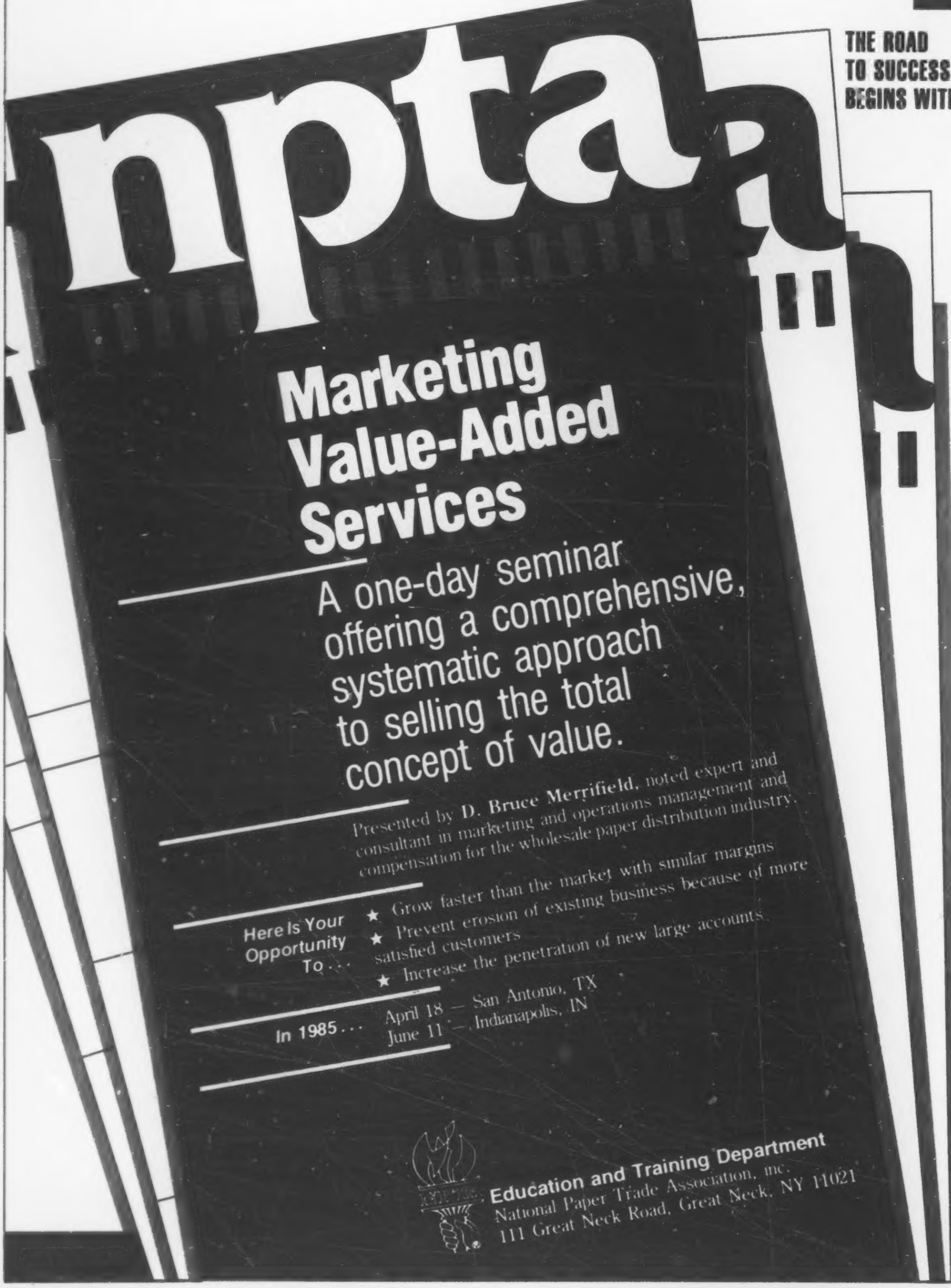
TO SUCCESS
BEGINS WITH . . .



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Education and Training Department
National Paper Trade Association, inc.
111 Great Neck Road, Great Neck, NY 11021

DIMENSIONS IN TRAINING

IN SALES: MAKE 'EM TAKE NOTICE

One thing that makes the life of a salesperson interesting, intriguing, fascinating and sometimes exasperating, is the variety of people and unique selling situations he runs into. In actuality, the successful salesperson doubles as an actor who is always on the stage. The roles that are played are as variable as the different types of people he deals with.

Handling a buyer, a problem buyer in particular, requires cleverness, sensitivity, analytical ability and, most importantly, tact and diplomacy. In a sense, every prospect is a problem until the salesperson makes him a customer.

The truly effective salesperson is equipped with three essential tools: professional selling skills, product knowledge and assorted techniques. Armed with these three major elements, the ineffective salesperson can be turned into an aggressive tiger, ready to crack major accounts.

David Brizius, Director of marketing communications, Copco Papers, Inc. and Chairman of the NPTA Education and Training Committee, has devoted considerable time to developing and implementing what he calls TNT - Technics in Training As a professional trainer, Mr. Brizius has elaborated on several tools that the salesperson can use to upgrade his skills and proficiencies. What follows are a variety of extracts from his proven theories of professional selling.

> *All the world is a stage. As a salesperson, you are "on stage" all the time.*

Make "Mr. Know It All" Take Notice

As a sales rep, you probably call on the same buyer many times, and most likely he doesn't have an order each time you call. If this buyer is an "Old Timer" and is called on by many different printing companies, he probably thinks he is "Mr. Know-It-All." He has seen all kinds of sales demonstrations and has heard every sales pitch. So when you show him a sample, is it possible that he is paying little or no attention to you?

Here's one answer to this problem that I picked up on a flight out of Washington, D.C. (Remember, always keep your eyes and ears open for sales leads and customer need information.)

People like me who fly a lot don't really pay much attention to the plane's flight attendants as they talk about seat belts, exit doors and safety information sheets. Some airlines instruct the people to say things like: "For your safety, please read the. . ." or "It's important for you to listen to. . ." etc.

However, on that Washington, D.C. flight, the Piedmont flight attendant said, "Have you seen this before?" All of the "Know-It-All" passengers, including me, looked up to see who was holding the safety card that we had seen so many times before. She asked the right question and it got our attention. Why don't you try, "Have You Seen This Before?"

Practice - The Essence of Success

Didn't Shakespeare say something like "All the world is a stage?" As a salesperson you are "on stage" all the time. A top professional performer would never consider making a performance without plenty of practice and rehearsal time.

How about you, do you practice your sales pitch, your product demonstration, your product knowledge and your strategy before making a call on a particular customer? If not, you'll probably never win that selling Oscar!

Perhaps you relate more to golf or tennis. During the last Jack Nicklaus Memorial Golf Tournament, I observed the pro golfers practicing and establishing a strategy before every game. In fact, many of the golfers came right off the course and went directly to the practice tee to work on a particular problem.

So often we get our practice making a sales pitch on our first few calls and it's not until we've made several calls that we have our pitch down pat. Next time, preplan your sales call. Practice in advance and make your first call of the day as professional as your last.

Know Your Customer

A man once said, "You don't have a sale until you get the order." A smart man might think that it's not a sale until the product is delivered, but a much wiser man said, "You don't have a sale until it's paid for."

Do you think that most people in sales think about the philosophy that it's not a sale until it's paid for? If they don't, they should. Sales trainers spend a lot of time showing us how to do "pre-call research." Everyone should gather as much information as possible about a prospect before making that call. Knowing a customer's needs before you make a presentation is a definite help. Just make sure that your pre-call research includes credit information. There's no need to waste a sales call by making a beautiful presentation and then having your credit manager turn down the order because of poor credit. Or even worse, after it is sold and delivered, your customer doesn't pay.

Don't celebrate too quickly when a customer you've been trying to sell for years finally gives you that big order. There is a good possibility that you didn't really win him over. Your competitor may have stopped selling to your prospect because of his credit, which resulted in your receiving that order.

A Little Preaching

When salespeople make a call on me, I try to apply the Golden Rule. I treat each salesperson exactly as I want my salespeople treated. Too often the non-salespeople tend to give the sales rep a hard time, forgetting that their company has salespeople out trying to get the order too. Wherever you work, it might be wise to suggest to your buyers to use the Golden Rule.

Not long ago, a sales rep was making a presentation in my office. When he finished, I tried to give him a little sales pitch of my own. The person picked up a presentation folder from my desk before I wanted to hand it out. This meant that he was looking at the folder and not listening. To get control of the sales presentation, and to get that customer to look at me and to listen to me, I merely used his name. He immediately looked up, I gained eye contact and control, and continued my presentation. Recall that during my sales training class I always teach that "you have ten seconds of undivided attention every time you use your customer's name during the presentation." Indeed, I practiced what I preach, and it worked. It will work for you, too.

TNT - Techniques In Training

Many times, a buyer doesn't want to buy from you because, "he sees no need for your product or service," "he is satisfied with his current supplier," "or he may not be aware of his needs." Recently, the Envelope Manufacturers Association put out a sheet entitled, "40 Symptoms of a Closed Mind." Many of these sayings could come from a buyer who is indifferent. Remember, when a customer shows indifference, you use product knowledge and background information on him to ask closed questions that will uncover needs.

Forty Symptoms of a Closed Mind - And Every One Has Been Used!

1. We tried that before.
2. Our plant is different.
3. It costs too much.
4. We're all too busy for that.
5. It's too radical a change.
6. That's not my job.
7. We don't have the time.
8. Not enough help.
9. Our plant is too small for it.
10. Not practical for our people.
11. The employees will never buy it.
12. The boss will scream.
13. We've never done it before.
14. It's against company policy.
15. We don't have the authority.
16. That's not our problem.
17. Why change it? It's still working O.K.
18. You're right, but...
19. We're not ready for that.
20. We don't have the money - equipment - room - personnel.
21. You're two years ahead of your time.
22. It isn't in the budget.
23. Can't teach an old dog new tricks.
24. Good thought, but impractical.
25. Let's give it more thought.
26. Management would never go for it.
27. Not that again!
28. Where'd you dig that one up?
29. We did alright without it.
30. That's all we can expect from them.
31. It's never been tried before.
32. Has anyone ever tried it?
33. Customers won't like it.
34. Maybe that will work in your plant, but not in mine.
35. It can't be done.
36. It won't pay for itself.
37. I know a fellow who tried it.
38. We've always done it this way.
39. You're never satisfied, are you?
40. It's impossible.

Before you go any further, why don't you examine your own thinking, and make sure you don't have a "closed mind"?

EVENTS

APRIL

9. *Telemarketing - The Key To Maximizing Your Sales Efforts, Chicago, IL. Contact NPTA.*

10. *Telemarketing - The Key To Maximizing Your Sales Efforts, Minneapolis, MN. Contact NPTA.*

11. *Telemarketing - The Key To Maximizing Your Sales Efforts, Kansas City, MO. Contact NPTA.*

13-20. *Print '85 sponsored by NAPL, NPES and PIA, Exhibition will be held at McCormick Place, Chicago, IL. For more information contact Graphic Arts Show Company, (703) 734-8285.*

18. *Marketing Value Added Services, San Antonio, TX. Contact NPTA.*

25-27. *Convention/Fiesta sponsored by the Southwestern Paper Merchants and Suppliers Association, San Antonio Marriott Hotel on the Riverwalk. For more information call (512) 452-4571.*

29. *Telemarketing - The Key To Maximizing Your Sales Efforts, Seattle, WA. Contact NPTA.*

30. *Telemarketing - The Key To Maximizing Your Sales Efforts, San Francisco, CA. Contact NPTA.*

MAY

1. *Telemarketing - The Key To Maximizing Your Sales Efforts, Los Angeles, CA. Contact NPTA.*

1-2. *First International Symposium on Competing in the Business Papers Market of the Future by* **Pulp & Paper** *magazine and Gorham International, Inc., Waldorf-Astoria Hotel, New York, NY. For more information contact David R. Allan (212) 683-9294.*

5-10. *Paper Distribution Management Development Program, Miami University, Oxford, OH. Contact NPTA.*

14-15. *Sales Development Conference, Atlanta, GA. Contact NPTA.*

29-30. *Successful Inventory Management For The Wholesale Paper Distributor, Chicago, IL. Contact NPTA.*

Professional Selling Skills

NPTA offers member firms an excellent on-site training program developed by Xerox Learning Systems and customized for the industry by the Association. Over 3,000 paper merchant salespeople have profited by this program to date.

For more information on this and other training programs offered by NPTA, contact the Education and Training Department at (516) 829-3070, or write: Bruce Linden, director, Education and Training Department, NPTA, 111 Great Neck Road, Great Neck, N.Y. 11021.

YOU KNOW IT'S GOING TO BE A BAD DAY WHEN...

- *Your smallest customer calls at 8:00 A.M. to tell you he received those 3 carloads of paper you shipped, unfortunately he only ordered 3 cartons.*
- *Your best salesperson arrives for work and announces she's pregnant.*
- *You make your first service call on that new computer you had installed and the recording tells you the company's number has been disconnected.*
- *On your drive to work you notice smoke rising from the direction of your warehouse.*
- *You read about a job opening in the paper and it turns out to be for your job.*
- *You get a call from the headquarters office about borrowing one of your trucks—the truck that went into Lake Michigan that morning.*
- *Your warehouse supervisor tells you that the new order picker hasn't been seen in 3 days and he's afraid that he's lost somewhere in the building.*
- *You find out that your new sales trainee is wanted on 3 continents.*
- *The new sales tiger you stole from your competitor has just announced his resignation.*
- *Your receptionist just came down with lock-jaw.*
- *You compliment the warehouse staff on the shiny floor only to find out that what's making the floor glow is 3 inches of standing water from the burst pipes.*

BOSS IS GENERALLY TO BLAME FOR EMPLOYEE FEUDS

The cause for a breakdown in communication between two subordinates because of a feud can generally be laid at the boss's door, reports Theodore Caplow in his book **Managing an Organization**. *Often, the people who refuse to communicate have substantial differences of interest imposed on them by their positions. Neither one can give in without jeopardizing his or her own interests. This situation often happens because the boss failed to specify which path to follow.*

BACK INJURIES ARE A PAIN IN THE...

According to the National Safety Council, at least 25 percent of all work-related injuries involved overexertion associated with manual material handling tasks. This percentage translates into 12 million lost work days annually, over 1 billion dollars in compensation costs. Marsh and McLennan, Inc. report that back injury claims represent 35 percent of the total workers' compensation claims paid out.

WASHINGTON WATCH

OSHA RULES TO AFFECT MERCHANTS

Employee right to know laws: a hodgepodge of state and federal enactments.

The Federal government and the states are all rushing to put in place rules to protect workers from exposure to hazardous substances, reports the National Association of Wholesale-Distributors (NAW).

At the federal level, OSHA promulgated rules regarding hazardous substances in the workplace in November, 1983. The OSHA hazard communication standard affects chemical manufacturers, importers and distributors.

Under the standard, manufacturers and importers of chemicals must, by November 25, 1985, evaluate their products to determine if they are hazardous. If such a determination is positive, they must provide information to their employees of the hazard by means of a hazard communications program including labels, material safety data sheets, training and access to records.

Distributors of such chemicals are required to ensure that containers they distribute are properly labeled and that a material safety data sheet is provided to their customers.

Many states and some cities decided not to wait for the federal government's timetable of events and, in many cases, decided that the federal coverage was not broad enough. Thus, they have enacted their own "employee right to know laws," many of which apply to a broader range of "employers" than the federal standard and are already to effect, and created a hodgepodge of regulatory enactments designed to protect the worker in the workplace.

Federal Preemption

The OSHA standard is supposed to preempt all state and local rules. Whether the preemption will stand up to legal challenges remains to be seen although it did in a recent New Jersey case.

In April of 1984, OSHA transmitted a federal program change to the states in which it acknowledged that many states had adopted "employee right to know laws." At the same time, OSHA expressed its position that the federal standard preempts state requirements except in approved-plan states. For laws already in effect in approved-plan states, OSHA reserved the right to examine such laws and to issue approval where such laws are at least as effective as the new federal standard. An approved-plan state is one that has adopted a plan for administration of a state workplace safety program that has been approved by OSHA.

Approved-plan states that have already adopted "employee right to know" regulations include Alaska, California, Connecticut, Maryland, Michigan and Minnesota. These regulations will have to be submitted to OSHA for approval to avoid federal preemption.

With respect to non-plan states that have enacted "employee right to know" laws, OSHA takes the position that their regulations preempt such laws although it acknowledges that this is a complex legal issue which will ultimately be resolved by the courts.

Non-plan states that have enacted such laws include Delaware, Florida, Illinois, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, West Virginia and Wisconsin.

State Enactments

The laws and regulations impelementing such laws vary from state to state. Generally, the state laws provide for earlier effective dates and broader coverage than does the federal standard. Until the legal issue of preemption is disposed by the courts, employers should be certain to observe compliance with both federal and state laws on the subject.

The state "employee right to know" laws are based upon the finding that there may exist a danger to the health of employees from significant exposure to certain hazardous substances. The recent asbestos cases provided the greatest impetus for state actions in this regard. Generally, the laws take the position that employees are in the best position to be aware of the symptoms of toxicity if they know what substances they are working with and, once such symptoms are manifested, employees have the inherent right to know the need for and type of corrective action that becomes necessary due to such exposure.

Scope and Requirements of State Enactments

State definitions of "employer," as noted above, usually cover a wider scope than the present OSHA standard which covers only employers in the chemical field at present and extends to other manufacturers later. Manufacturers, importers, *wholesale-distributors*, and retail and service establishments are included in many of the state laws.

As a general rule, the state law requires an employer to submit material data sheet information to a state department administering the law for all substances that have been declared or can be considered to be hazardous. Employers must also: post notices to their employees informing them of their legal rights under such "employee right to know" laws; provide labels which identify such hazardous substances and containing operating instructions; and utilize warnings in the workplace.

Employers must further keep and make available to employees, for extended periods of time, material safety data sheets for each hazardous substance to which the employees may be exposed. Education and training of employees as to proper use, dangers of exposure and procedures for corrective action upon such exposure where necessary are also required by the various state laws.

Suppliers of hazardous substances must provide the purchaser with a material safety data sheet and must assure proper labeling of the contained product. Penalties include fines and, in some cases, jail sentences for non-compliance with the law.

The foregoing is a broad overview of the various state laws covering workplace disclosures of exposure to hazardous substances. All employers should refer to the particular law of the state within which they operate to determine particular applicable rules. In addition, the federal rules as enunciated by OSHA must also be followed.

JANUARY, 1985

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day January 1985 - Compared To - January 1984	Sales Per Selling Day January 1985 - Compared To - December 1984	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of January		Calendar Days' Cost* of Ending December Inventory	
				1984	1985	1983	1984
INDUSTRIAL							
1	+17.5	-11.7	+17.5	42	44	–	–
2	+ 2.4	-14.4	+ 2.4	38	38	55	55
3	+ 3.6	- 6.1	+ 3.6	37	38	58	65
4	- 2.2	- 6.2	- 2.2	36	38	59	63
5	+ 3.3	-11.9	+ 3.3	35	34	62	62
6	+ 5.6	-14.2	+ 5.6	39	44	–	–
7	- 0.8	-15.0	- 0.8	38	40	–	58
NY Metro	+ 7.5	+ 3.7	+ 7.5	44	43	–	–
Chicago Metro	+ 7.7	- 7.5	+ 7.7	51	36	54	53
LA Metro	+ 5.2	+ 1.7	+ 5.2	46	50	47	47
US	**+ 3.1**	**- 8.8**	**+ 3.1**	**39**	**40**	**57**	**59**
PRINTING							
1	+15.1	- 3.5	+15.1	51	53	–	–
2	+ 7.4	- 8.6	+ 7.4	45	47	63	69
3	+ 9.0	- 5.3	+ 9.0	40	44	82	80
4	+ 9.3	+ 3.0	+ 9.3	41	45	68	76
5	+ 7.4	+ 0.5	+ 7.4	43	45	89	89
6	+ 4.0	- 2.6	+ 4.0	43	45	–	–
7	+ 4.2	- 1.7	+ 4.2	42	45	86	–
NY Metro	+11.4	- 7.1	+11.4	43	42	–	–
Chicago Metro	+13.6	- 1.0	+13.6	47	45	–	–
LA Metro	+ 9.1	+ 0.6	+ 9.1	38	46	92	94
US	**+ 8.7**	**- 2.8**	**+ 8.7**	**43**	**45**	**79**	**81**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bemadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

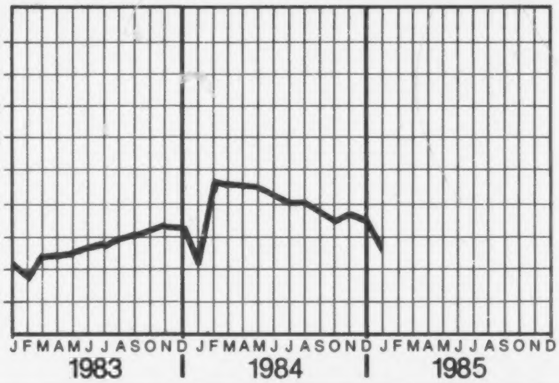
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

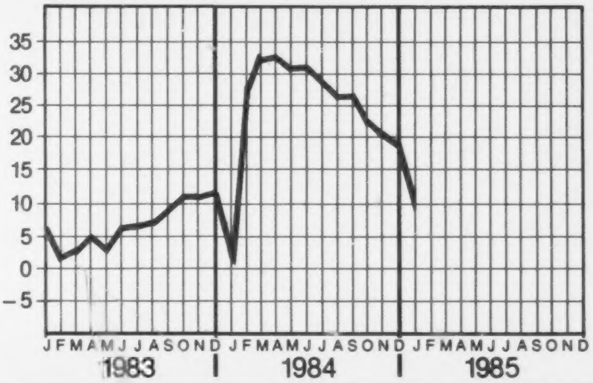
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



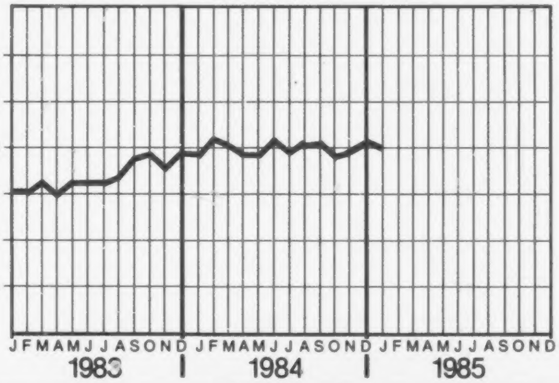
PRINTING PAPER SALES NATIONALLY



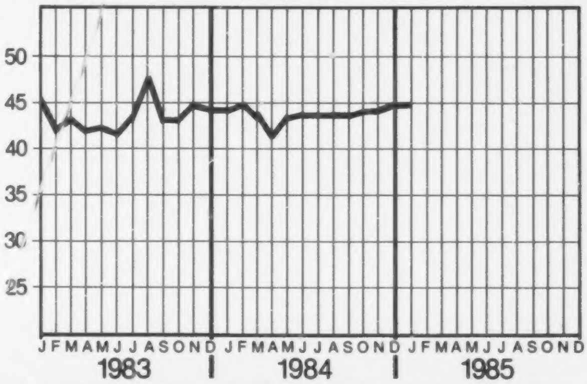
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



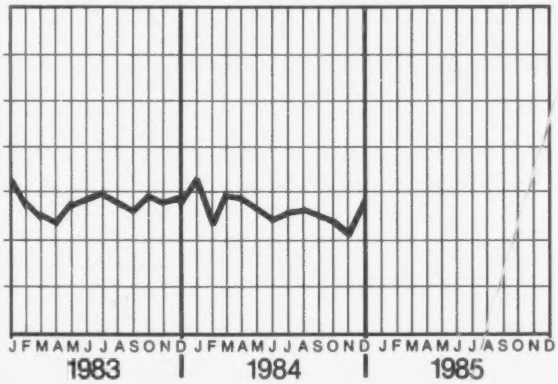
PRINTING PAPER RECEIVABLES NATIONALLY



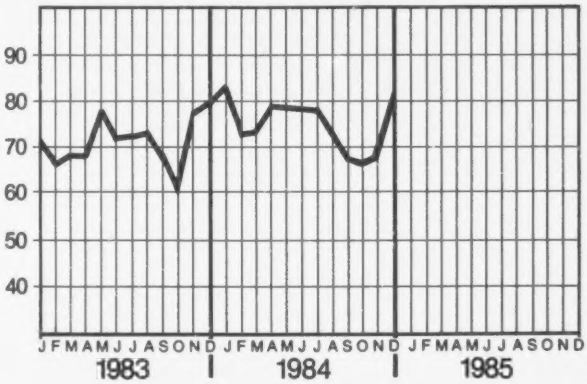
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



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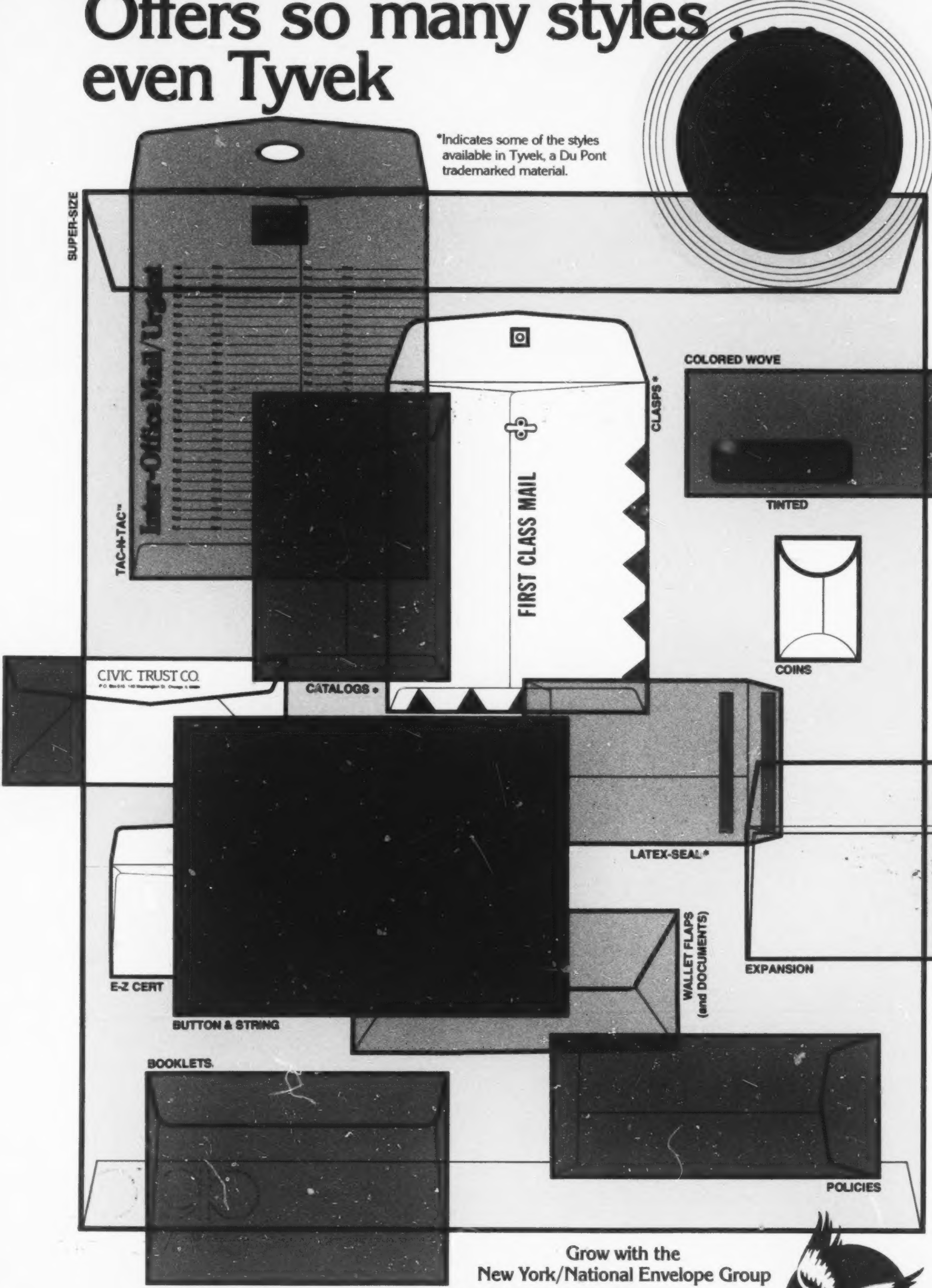
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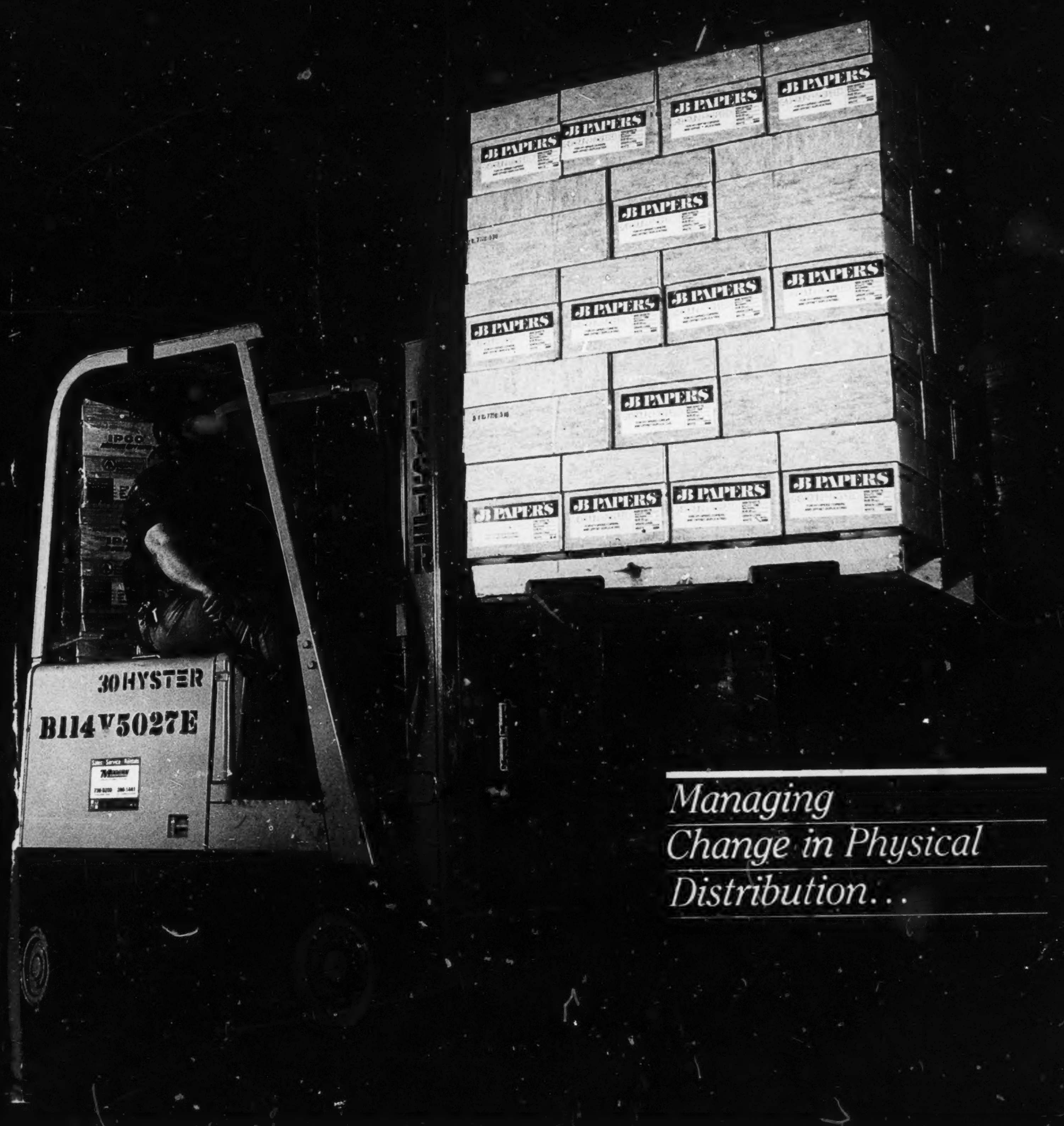
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Cover Photo
Ben Asen

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LESLIE PAPER OPENS NEW TEXAS CENTER

Leslie Paper Company recently announced the opening of a full-service distribution center in the Dallas-Ft. Worth market. The office/warehouse complex represents a significant expansion over the Leslie brokerage office created there three years ago and reflects the company's commitment to the Southwest market.

The new manager of Leslie's new Texas region is William Mitchell, former manager of the Iowa-Illinois region. Chuck Fish, formerly of the Des Moines region, has been appointed Texas mill department manager.

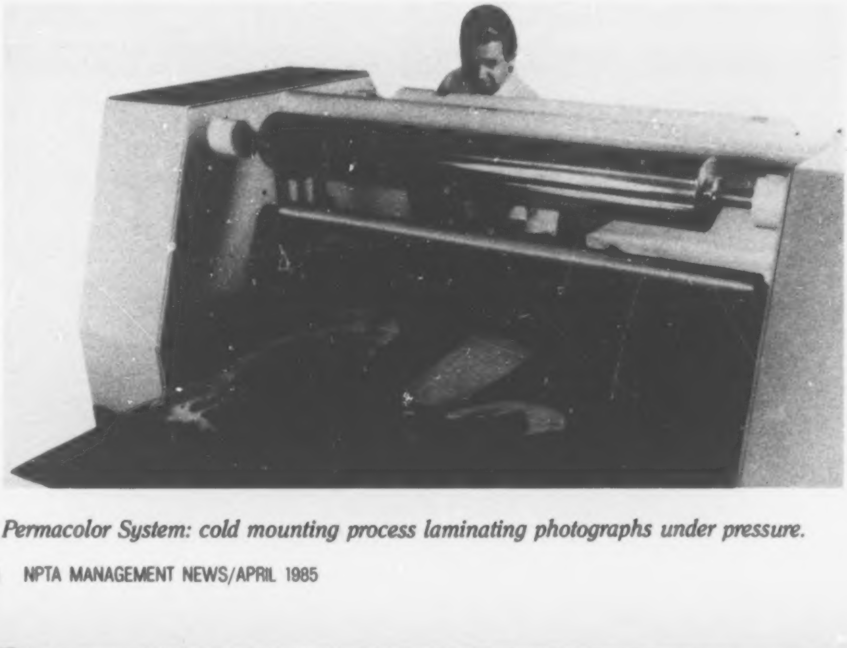
MACTAC PURCHASES PERMACOLOR

MACtac, a subsidiary of Bemis Company, of Stow, OH has announced the purchase of Permacolor and selected assets of Segel Laboratory, both of Merion, PA.

MACtac is a world leader in the production of pressure sensitive adhesives and is involved in the protection of photographs with its CoolMounts optically clear film. This product development of protective materials is closely paralleled by Permacolor and the Segel Laboratory.

"Integrating Permacolor's technology with our own will greatly accelerate the progress of protecting photo imaging products," said Robert Mlnarik, president of MACtac.

New products are already being developed under the Permacolor name as a result of the merger of the two companies' technology and experience.



Permacolor System: cold mounting process laminating photographs under pressure.

SCOTT TO DOUBLE SOMERSET MILL LIGHT WEIGHT COATED CAPACITY

Scott Paper Company recently announced a new expansion program to begin the fourth quarter of 1986 at its Somerset paper mill in Skowhegan, Maine. This project will add a second advanced technology paper machine capable of producing 215,000 tons per year, adjacent to the existing machine that began in 1982.

Philip E. Lippincott, Scott Paper Company chairman and chief executive officer, said the new machine will help Scott's S.D. Warren division further expand its position in the growing market for lighter weight coated papers for newspaper advertising inserts, catalogs, direct mail, specialty magazines and book publishing.

"Construction of the second machine, which will be a duplicate of the existing one, will double our lightweight capacity making Scott a major factor in the market," Lippincott said.

Scott Paper has traditionally been a leading manufacturer of heavyweight grades of fine coated printing papers used for various publications. Their coated paper strategy is to continue to expand its position in the heavyweight business while significantly increasing its position in the faster-growing lightweight market.

"By locating the lightweight production at Somerset, other mills in the S.D. Warren system have been able to focus resources on other grades." Lippincott said, "Each mill in the manufacturing system is now dedicated to making the grades it is best suited to produce. This has both improved manufacturing efficiencies and enhanced Warren's service capabilities."

WIGGINS TEAPE, THE UK'S LARGEST MERCHANT, GROWS LARGER

The Wiggins Teape Group has announced its acquisition of Spicer-Cowan Limited and R.H. Robinson and Company Limited from Reed International P.L.C.. Spicer-Cowan and R.H. Robinson are the United Kingdom paper and packaging merchanting subsidiaries of Reed International.

Wiggins Teape, the UK's largest paper merchant and trader, sees substantial operational benefits in the merger of the companies that will create a strong force in a highly competitive market. The customers of the companies now can benefit from being able to obtain a wider range of products from one source. In addition, the merger will result in the creation of major regional distribution centers that will ensure optimum customer service throughout the UK.

"Our paper merchanting activity is an increasingly profitable, stand-alone business and has high standards of customer service," said John Worlidge, chairman of the Wiggins Teape Group. "Our

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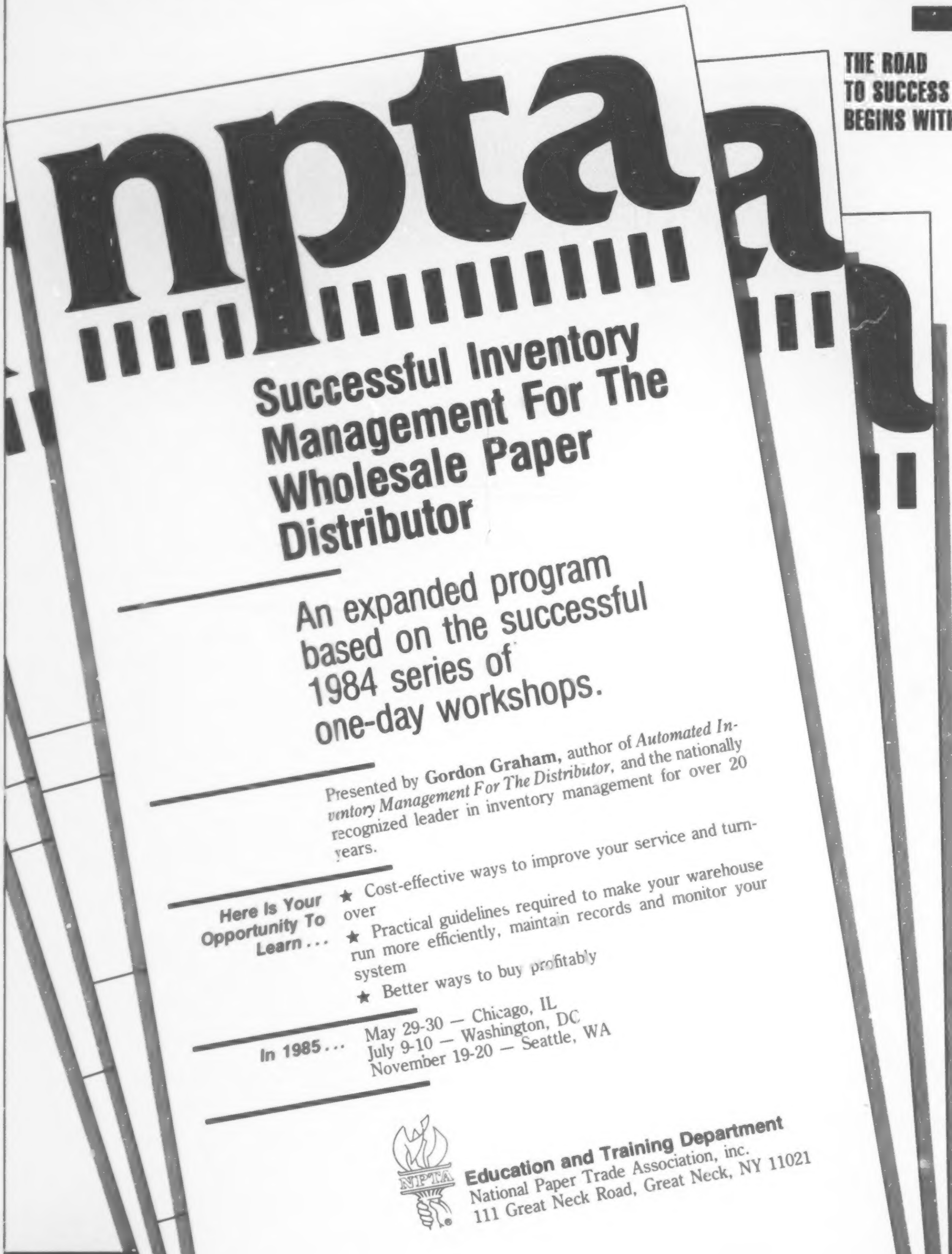

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acquisition of Spicer-Cowan will make a significant contribution to the stability and future development of the UK paper industry. We now have an excellent base for further improvements in customer service while still maintaining growth in profitability."

Plans have been developed to integrate the two sales and distribution networks within the next few months. The companies will continue to operate under their existing names until the acquisition process is completed.

U.S. TALKS WITH JAPAN ABOUT PAPER

The U.S. and Japanese Governments are scheduled to begin high-level trade talks on forest products, API reported recently. These trade discussions are a result of an agreement between President Reagan and Prime Minister Nakasone and are seen as a major breakthrough in the paper industry's attempts to gain more access to the Japanese market.

Industry To Open Japanese Market

API's Asia Subcommittee strongly endorsed the U.S. approach to these talks and is actively supporting U.S. negotiators in preparing for them. The U.S. negotiators plan to direct questions at their Japanese counterparts regarding the range of impediments to U.S. exports such as tariffs and invisible barriers that are a result of the Japanese system of business.

NY MERCHANTS TO SPONSOR TRIP

The New York Paper Merchants Association is sponsoring a trip to Rio De Janero and Buenos Aires for their Winter Seminar 1985. The trip will take place from November 14 to November 21, 1985 and is open to all industry members and friends.

The price is $1,050 and includes round trip air fare, six nights accommodations with breakfast, three formal dinners, welcome cocktail party and farewell banquet. Also included is an all day tour of Rio City.

For reservations and more information, contact Mr. Alan Wexler, New York Paper Merchants Association, 292 Madison Ave., New York, NY (212) 867-9660.

GNN PAPER DISTRIBUTION REPORTS HEALTHY YEAR

Great Northern Nekoosa reported that its "paper converting and distribution" generated net sales of $606.2 million representing a 32.4% increase over 1983. (Interestingly, 1983 sales were 32.4% ahead of 1982.) Operating income for this business segment was $31.4 million — up 16.5% from a year ago.

Most of the contribution to the above figures is from GNN's Butler Paper Company headquartered in Englewood, CO. Butler has 85,000 customers being serviced from 64 locations throughout the country.

PEOPLE IN THE NEWS

Frederick J. Robbins has been appointed executive vice president of Mead Merchants. **John R. South** has been named vice president/general manager of Mead Merchants-Jacksonville and **Larry Rice** has become packaging sales/marketing manager for Mead Merchants-Detroit.

Francis G. Walker has been elected vice president of Great Northern Nekoosa Corporation. **Richard A. Coffey** has been named vice-president/general manager of Chatfield Paper-North Haven division and **William L. Bryant** has been promoted to branch manager-Springfield division. **Paul Lamoureux** has become vice president/general manager of Chatfield Paper-Providence division.

Steve Carter has been appointed manager of Butler Paper Company-Omaha branch and **Dennis Miller** has been named manager of the Lufkin, Texas branch. **Robert Bates** has been promoted to general sales manager of the Denver division, **Janice Apple** has been named operations manager and **Wayne Poff** has become marketing manager.

Frank D. Andruss has been named industrial products manager of Blake, Moffitt & Towne-Los Angeles division.

Tom Wagner has been promoted to regional sales manager of The Paper Company, Sioux Falls, SD.

Robert A. Schumacher has been elected president and chief operating officer of Georgia-Pacific. **Conrad Schweitzer** succeeded Schumacher as executive vice president-pulp and paper. **Ronald P. Hogan** was promoted to senior vice president-distribution division.

Ronald Budzik, vice president of Government Affairs, Mead Corporation, has been elected Chairman of the API State Government Relations Committee and **Louis F. Laun**, president of API will continue in his present position for six months beyond his anticipated retirement date. He will retire on December 31, 1985.

Jon R. Lafrenz has been named vice president and general manager of Boise Cascade-White Paper Division.

Gary W. Pichon has been elected president of Mead Corporation's Gilbert Paper-Wisconsin.

Richard W. Feldman has been appointed vice president-business development of A&E Plastics, Inc.

Dedric W. Bergstrom, president-Bergstrom Division of P.H. Glatfelter Company retired on December 31, 1984.

Peter J. McLaughlin, chairman and chief executive officer of Union Camp Corporation, will retire at the end of the year and **Raymond E. Cartledge**, president and chief operating officer, was elected to succeed him.

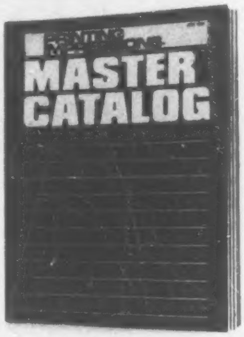
Arthur Newth-Morris, founder and chairman of the executive committee of Rock-Tenn Company, passed away on January 14, 1985.

Kenneth A. Thomson, general sales manager for Penntech Papers, Inc. of White Plains, NY, died on February 3, 1985. He had been with the company in a sales management capacity for 7 years.

NPTA MERCHANTS TO BE LISTED IN 1985 'MASTER CATALOG'

The publishers of *Printing Impressions* magazine have entered into an arrangement with the National Paper Trade Association to list all member firms that handle printing paper. The special NPTA merchant section will appear in their special July, 1985 issue of the "Master Catalog."

Merchant members of NPTA throughout the United States will be listed free of charge in the publication. The "Master Catalog" is sent to the 90,000 subscribers of *Printing Impressions* magazine and is a resource that is used all year long by commercial printers.



In addition to the new NPTA merchant section, the catalog includes 600 pages of information on the great variety of equipment and supplies available in the United States.

Merchant members of NPTA that sell printing papers are now being approached by North American Publishing—the company that publishes *Printing Impressions* magazine and its "Master Catalog." Advertising rates for NPTA members in this special section (which is *only* available to NPTA members) is at a greatly reduced price. "Merchants wishing to make a small advertising investment may reap large rewards," said Frank L. Nemeyer, vice president of North American Publishing. "This section is a very useful member service for NPTA members." Whether merchants advertise or not, this catalog listing will be helpful to them in 1985.

XEROX

We can give your sales force a closing technique that works 75% of the time.

There's a closing technique that *works 75% of the time.* If your sales force doesn't know about it, you're probably losing business to someone who does.

Within the past few months, Xerox Learning Systems has taught this technique to hundreds of companies like yours. And we'd like to share it with you.

A new way to get high-yield results on every sales effort.

It's part of an all-new program called Professional Selling Skills System III. This new system is a major sales training breakthrough. A scientific approach that can train your people to sell with *high-yield results* they've never had before.

They'll learn how to recognize and sell to a customer's true needs. How to keep from wasting time on surface needs that don't motivate people to buy. How to turn a customer's objections into selling points. How to catch hidden signals that will help overcome the stall. How to *make new sales records. And then break them.*

Xerox put millions of dollars into the development of PSS System III. It is built on the theories of the original, famous PSS program, but with powerful differences.

New skills that are the outgrowth of extensive new research, new insights that will make your people more professional, and new follow-up that *trains your managers to coach in the field.*

Sales training that pays off on your bottom line.

This is truly a blue chip training investment. Researched and tested to make success a certainty. It can help a company build an invincible sales force. And there's no reason why that company can't be yours!

Call for a FREE preview booklet.

Call now. We'll send you a helpful preview booklet on PSS System III: *How to Put Scientific Certainty into Your Sales Training Investment.* Once you read it, you'll want to make that investment, because it's the one that will pay off for your whole sales staff.

Call Bruce Linden, NPTA, Director of Education and Training, 516-829-3070 or Timothy O'Regan, Xerox Learning Systems, 212-916-2150

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PROFESSIONALISM IN TRAINING - TWO

Faced with the complexities of a dynamic business climate, today's CEO has become more aware of the growing need for effective training. Why? It is necessary to meet the challenges of staying competitive.

The manager must continually ask himself the paramount question, "What development experiences should I seek?" even though his time is a precious commodity. How the CEO addresses this training issue is an individual decision that reflects the specific needs of his company and its employees.

The main objective of NPTA's Education and Training Department is to provide the products and services that the CEO needs to help himself and his people do a better job. NPTA takes the responsibility to anticipate these needs by being aware of what the CEO feels is important and then constantly strives to improve its services and programs.

The following interviews allow two CEO's to share their training ideas and applications with the membership of NPTA. The Association firmly believes that the members are the most valuable resource in helping the NPTA continue to provide necessary programs and services.

Phillip L. Erickson, president of Blake, Moffitt and Towne of San Francisco, CA, and John Field, president of the Russell Field Paper Company of Bellwood, IL responded to the Association's training questions.

1. What are your training needs?
Erickson: Like any large company, we have continuing needs for training. Generally, this is in the areas of skill development and management development. Specific needs, for example, would be personal computer systems.

Field: Our training needs vary according to specific areas but, overall, we try to include some finance and marketing techniques for all our people so that they are aware of all aspects of the business world.

Basically, our needs for salesmen are in instruction in product knowledge and usage, territory management, individual sales techniques, company goals and performance standards. Sales service personnel are also trained in our particular products and their uses such as traffic routing and tracing. Our warehouse people are trained in inventory management.

NPTA takes the responsibility to anticipate training needs for paper merchants.

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2. How important is training to your company? How does it tie into your company's overall goals?
Erickson: It's very important! It makes a great difference in our productivity; in our effectiveness. In our company (and ours is no different from many others) it is the sales growth objectives that can be directly tied-in to the ability of a sales force to sell more effectively. That is the goal of sales training. The better trained, managed and developed the sales force, the larger the growth rate.

In the area of asset management, the training is tied to improving people's ability to understand and manage. This is skill development that can be very directly tied to results. You can see the impact of training in things like short-term and long-term planning, even in one-year budgets.

Field: On-going corporate goals cannot be met without proper training and follow-up. Luck is only short term; long term growth must be managed.

3. How do you determine your training budget?
Erickson: There's often a difference between what we do and what we should do. Properly done, a budget should be developed from the bottom up. You identify the program needs, then you develop the costs on a per participant basis and allocate that on an annual cost to benefit basis. Given your income limitations in some years, you may not be able to do all that you want. But if you really do a good job of long-term planning, you can put parts of it in each year so that your program develops on a consistent basis.

Field: I don't. We're small enough to do whatever training is necessary because this aspect of our business is too important to be budgeted. You have to do training before you can have business.

4. How do you train your people now?
Erickson: It's primarily informal on-the-job training. Our operating divisions vary from totally unstructured and informal to a very formal orientation program in sales training. We supplement that with corporate programs. Example: the PSS 111 we've worked on with NPTA supplements our divisional efforts. In addition, we take advantage of selected vendor-sponsored or subsidized programs. Some of the better programs are from 3M, Scott Paper and International Paper.

We also identify individual needs, and use some outside programs like those from the American Management Association or NPTA programs, and some university programs that might be available.

Field: Twice each year, we have both company meetings and mill visits for all our sales people. This enables them to visit our suppliers and be brought up-to-date on their products. In addition, we have our sales people attend the NPTA Xerox program or equivalent and we utilize the Dale Carnegie sales courses and personal development workshops.

5. What role does in-house training play?
Erickson: It's significant. A company the size of ours can develop resources to do in-house training quite professionally. You first conduct train-the-trainer programs and develop your in-house training abilities. We're now doing this in the sales training area. We've developed people capable of handling the PSS 111. We also do all the product knowledge training in-house.

Field: Training can be examined in two parts: personal development and product

VIEWS FROM THE TOP

knowledge with the capacity to pass that knowledge on to the customer. For professional selling skills and personal development, we rely on outside help such as seminars and workshops. But, the product knowledge we impart ourselves. We do that through our bi-annual meetings and mill visits to continually upgrade our samples.

6. What role do you see video playing in in-house training?
Erickson: I think there are two roles. The video tape self-contained and individually paced program is one where a trainee can proceed through the program basically at his or her own pace. There are some excellent examples that we've used in supervisory training, hiring techniques, etc. The second role of video is in taping role playing and providing feed-back. These are extremely important in the sales training area.

Field: Looking at it from my company's point of view, video in training will play a relatively minor role. We are a non-traditional paper merchant, not a broad-line distributor selling from a catalog. We are a highly specialized company selling only a few product lines to a very limited, specific clientele so the video aspect of sales training may not be valid.

For general corporate development training, I could see some value, especially in receivables and inventory management. But, from an outside sales point of view, I don't see video being of much value to us.

7. How do you train your sales people?
Erickson: It's primarily in-house and it frankly varies greatly from location to location. We've got a lot of room for improvement in it.

Field: I do it mostly hands-on myself with two other people. We also rely heavily upon our mill contacts. We operate very closely with our suppliers because in most cases we are either the only, or one of just a few, sales outlets to which they send their sales trainers.

Again, I have to stress that we are not a normal paper merchant with multi-lines, we are a highly specialized business with a limited specific product line.

8. What is the ideal time each sales manager should spend in training his sales people? Realistically, how much time do you feel they really need?
Erickson: I don't think there's a general answer to that question. I have really struggled with that one myself. I don't think you can answer that categorically, it's a sliding scale. There's a greater investment up front, but diminishing as people gain experience. There always has to be some training done whether it's in demonstrating techniques or in correcting bad habits. At times, it's just to recharge tired batteries. But it is a major responsibility of sales management. The more junior and the more inexperienced the sales force, the more time managers have to spend doing training. I don't think this can be quantified because it really depends on the make-up of the sales force.

> *There's often a difference between what we do and what we should do.*

Field: That's a good question and my answer will probably be much different than that of a more traditional merchant.

Most of what we do here is on-the-job training. It's not formal, instead it is on-going and unstructured. Once a salesman is producing within 40% of his forecast for the year, he should require little training but substantial supervision may be enough. As far as actual, formal training by the sales manager, once your men are no longer rookies, training time will be relatively small.

9. What are the most important management development areas you are concerned with? How do you deal with these in your training?
Erickson: There are three areas in management development that I feel are important. First of all, it's the managing skills. These are people development skills that management needs. They involve understanding of what motivates people and their needs. It's the psychology of helping people motivate themselves. Team building, and the organizing and delegating of work, are part of this.

So often in our industry we promote people out of the sales force or from other jobs where they've been doers, and then we expect them to be managers. That is often a quantum leap at the entry level, and we can give them a lot of assistance by covering those items I just mentioned.

Secondly, there is the area of asset management—including inventory and accounts receivable management. These are becoming increasingly important in our business. The third area is financial management skills. There are some excellent programs that we've used, such as "Financial Management for the Non-Financial Manager." We have to give people the ability to analyze performance through financial statements and have them understand cause-and-effect relationships. Taken together, these three items are extremely important in developing management.

Field: The two areas that we deal with are financial analysis and cost accounting. Job analysis is a distinct area for our company because the majority of our sales volume is generated by either manufacturing or converting functions. We also feel that it's very important to understand marketing versus sales. This distinction is very critical.

I would also like to add that the personal work habits of the people are a very important concern. Without some continuous instruction and follow-up, the detailed aspects of your business such as maintaining internal paper work can slip away from you and your profitability can suffer. You really have to keep working with your people, day-by-day, week-by-week, month-by-month, to make sure that their personal work habits keep up with your expectations.

10. What role do you see NPTA's Education and Training Department playing?

Erickson: I think a very important one. One role NPTA plays is that of screening. There are so many programs out there. Once you get on a mailing list, you receive material weekly from various universities or professional training institutes or speakers' bureaus. The quality of these programs varies considerably. By screening them, NPTA performas a very important function for our industry.

NPTA also supports us by developing paper-related programs; those that perhaps are taking something that already exists and shaping it to more closely fit the needs of the paper industry. NPTA also subsidizes the costs by volume purchasing. A good example is the PSS program that we purchased through the Association. I think those are all important areas.

I said earlier that what we're doing and what we should be doing can be fairly far apart, and I think that's typically where much of our industry is. Our business is changing rapidly in terms of its markets, channels of distribution and the applications of technology. In order to deal with these changes, we're required to change just as rapidly, or fall behind. And I believe strongly that the major key to managing change is in the training and development of our people.

Field: For the smaller merchant like ourselves, we rely upon the NPTA to give us the Xerox programs, the YEF (Young Executives Forum) functions, and important information that we can disseminate to our employees. The NPTA is a very convenient way for us to get this necessary information instead of going to a seminar at Northwestern University or University of Chicago. These courses are not specific to our industry. The information from NPTA is much more relevant and much more focused for us. We're so small that we can't procure those seminars ourselves like Jim Walters Papers or Nationwide could. We can't justify the cost to do it that way. Therefore, the Association becomes the primary avenue for us.

EVENTS

APRIL

13-20. *Print '85 sponsored by NAPL, NPES and PIA, Exhibition will be held at McCormick Place, Chicago, IL. For more information contact Graphic Arts Show Company, (703) 734-8285.*

16-18. *NPTA Committee Week, Boston Marriott Copley Place, Boston, MA. Contact NPTA.*

18. *Marketing Value Added Services, San Antonio, TX. Contact NPTA.*

25-27. *Convention/Fiesta sponsored by the Southwestern Paper Merchants and Suppliers Association, San Antonio Marriott Hotel on the Riverwalk. For more information call (512) 452-4571.*

29. *Telemarketing - The Key To Maximizing Your Sales Efforts, Seattle, WA. Contact NPTA.*

30. *Telemarketing - The Key To Maximizing Your Sales Efforts, San Francisco, CA. Contact NPTA.*

MAY

1. *Telemarketing - The Key To Maximizing Your Sales Efforts, Los Angeles, CA. Contact NPTA.*

1-2. *First International Symposium on Competing in the Business Papers Market of the Future by* **Pulp & Paper** *magazine and Gorham International, Inc., Waldorf-Astoria Hotel, New York, NY. For more information contact David R. Allan (212) 683-9294.*

5-10. *Paper Distribution Management Development Program, Miami University, Oxford, OH. Contact NPTA.*

14-15. *Sales Development Conference, Atlanta, GA. Contact NPTA.*

15-19. *National Paperbox & Packaging Association's Annual National Convention, Wigwam Resort, A Mobil Five-Star, AAA Five Diamond, Gold Key and Moorand Award Winner, located in Litchfield Park, AZ.*

29-30. *Successful Inventory Management For The Wholesale Paper Distributor, Chicago, IL. Contact NPTA.*

JUNE

4. *Telemarketing - The Key To Maximizing Your Sales Efforts, Memphis, TN. Contact NPTA.*

5. *Telemarketing - The Key To Maximizing Your Sales Efforts, Atlanta, GA. Contact NPTA.*

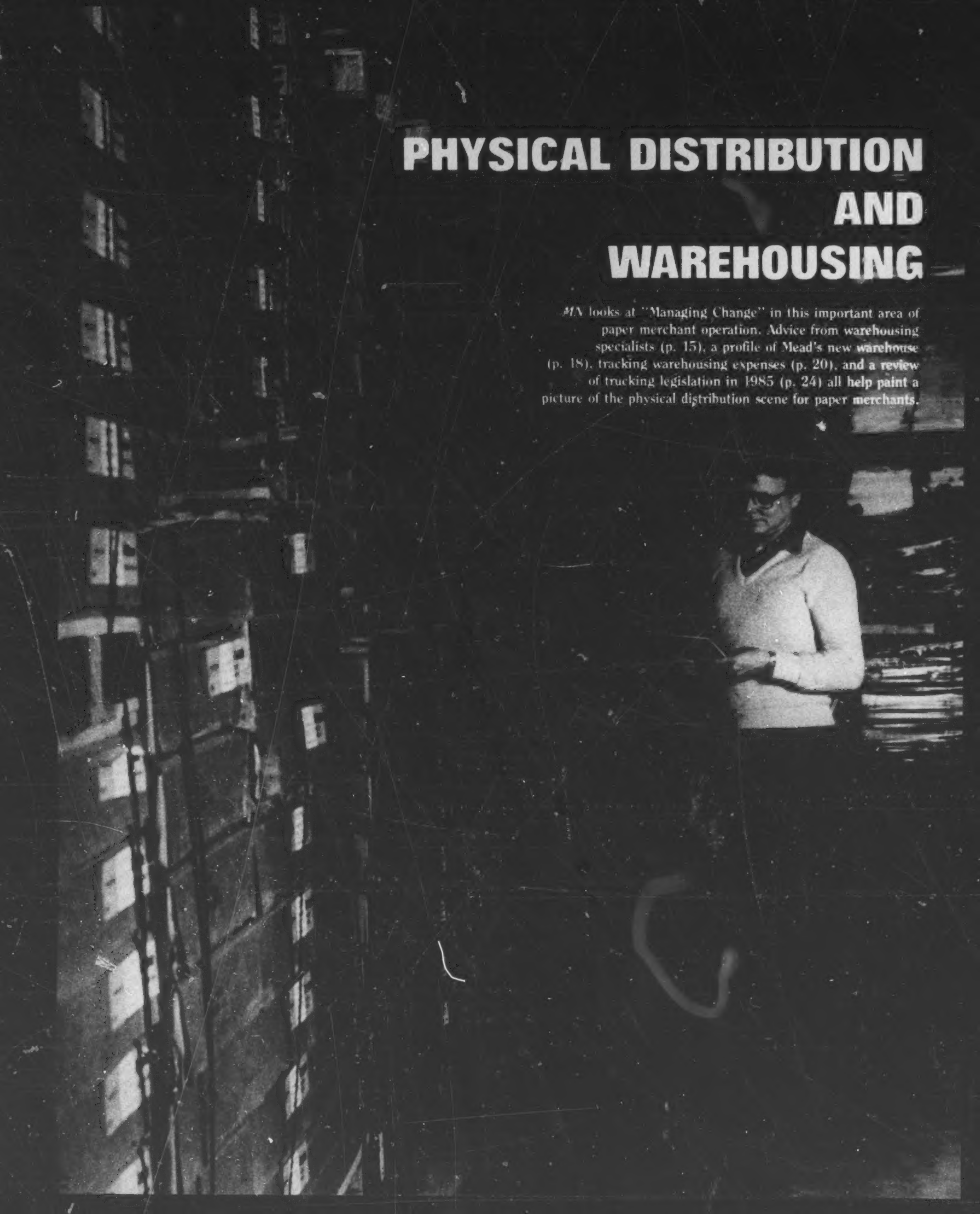
6. *Telemarketing - The Key To Maximizing Your Sales Efforts, Ft. Lauderdale, FL. Contact NPTA.*

11. *Marketing Value Added Services, Indianapolis, IN. Contact NPTA.*

25. *Telemarketing - The Key To Maximizing Your Sales Efforts, Philadelphia, PA. Contact NPTA.*

26. *Telemarketing - The Key To Maximizing Your Sales Efforts, Boston, MA. Contact NPTA.*

27. *Telemarketing - The Key To Maximizing Your Sales Efforts, New York, NY. Contact NPTA.*



PHYSICAL DISTRIBUTION AND WAREHOUSING

PMN looks at "Managing Change" in this important area of paper merchant operation. Advice from warehousing specialists (p. 15), a profile of Mead's new warehouse (p. 18), tracking warehousing expenses (p. 20), and a review of trucking legislation in 1985 (p. 24) all help paint a picture of the physical distribution scene for paper merchants.

MANAGING CHANGE IN PHYSICAL

Jerry Gray looked at his watch. His desk was cluttered with papers all crying for attention, but all he could think about was that late tractor trailer. "Where could it be?" he thought. "There has to be a better way . . ."

Across the state, John Fitch uses his forklift to stack another carton on top of a leaning tower of boxes. "Every inch of the warehouse is full," he thought "and there are two more trucks to unload."

While in the deep South, Fred Smith places his 14th call that day to his mill. "Why can't I get the information I need?" he asks himself. "My phone bill alone is eating up my profits."

And so it goes around the country. Paper merchants are striving for a better way, a better system, a better management technique to make the movement and storage of products more efficient.

Many warehousing operations include some form of paper converting.

Management of change requires knowledge of what is changing. It is easy to conclude that *everything* is changing in paper distribution, but it is thought that if one pays attention to the basics, success will naturally follow.

Walter Moore, president of Unijax, has said that the five major ingredients of the successful paper merchant operation are "sales, sales, sales, sales and sales." No one would dispute that this is a marketing and sales business and that selling paper is the life all paper merchants lead.

Mr. Moore's tongue-in-cheek remark during his address to the 1983 NPTA Annual Convention was meant to get people to think. He went on to recognize the need for cost-efficient distribution techniques especially if a merchant is involved in a high-volume business and when the pressures of competition demand it.

New attention is now being paid to the purchasing, moving, and storing of products and the movement of information that accompanies these products. Some refer to this system as "logistics." Materials move from manufacturer, through distributor to customer as a continuous flow with a variety of handling and storing operations along the way. Included here are the information-carrying documents as well. Taken as a whole, the study of these physical operations are capturing paper merchants' imagination.

Physical Distribution Emerges

It was not until the 1960s that the management of physical distribution as a separate concept came into being. It drew together into one package all the things people were managing separately: warehousing, order processing, transportation, inventory, etc.

Today, the study and analysis of physical distribution means developing stronger customer service while improving productivity. The physical distribution issue always boils down to a discussion of how to improve productivity. Whether it is using a computer to generate pick tickets, better ways to pack or route trucks, or building a warehouse with the latest design, the reason is productivity improvement—the beneficiaries are the merchant and his customers.

Warehousing

Storing paper products is and has always been one of the major concerns of all paper merchants. Good warehouse design and layout can add efficiency to any operation. On the surface, this all seems rather simplistic, but the functions that combine to make a successful warehousing

DISTRIBUTION

operation are complex: receiving, identification and sorting, dispatching to storage, placing in storage, storage, removing from storage, order accumulation, packing, scheduling, shipping and record keeping.

All of these functions performed in the typical paper merchant's warehouse are labor intensive; to streamline any of these functions will give the merchant a productivity boost and probably save him some money.

In addition to studying what goes on inside the warehouse, people are asking questions about where to locate new warehouses, public vs. private space, and centralization vs. decentralization.

Managers can help themselves by keeping up with the latest warehousing trends. In his December, 1983 report to the 5th International Conference on automation and warehousing, John A. White, director of the Material Handling Research Center reviewed the changes that will likely take place in warehousing:

1. **Distributed Storage**. Increased emphasis is being placed on locating storage closer to the user; increased levels of control are possible through integrated control systems and physical consolidation is no longer necessary to achieve satisfactory levels of control. The economies of scale associated with centralized storage can be offset by the benefits derived from giving individual operating managers responsibility for their own inventories. One, two, and three aisle AS/RS installations will become more common.

2. **Public Warehousing**. Previously public warehousing has been used predominately for storage of beverages, food, paper, and consumer goods. As more manufacturing firms specialize in marketing and manufacturing, they will shift more of the responsibilities for distribution to distribution specialists. The public warehouse will have increasing responsibility for functioning like regional distribution centers for many firms. In other cases, groups of companies will form co-operatives to perform the distribution function.

3. **Off-the-Shelf Technology**. Increased standardization of hardware and software will occur due to the increased demand for off-the-shelf hardware and software packages. The "off-the-shelf" movement will result in a greater emphasis on integration specialists who can combine standard components to meet specialized applications.

4. **Product Identification**. The lack of meaningful incentive systems for automatic identification manufacturers to support standardization of bar codes will result in greater emphasis being placed on direct methods of product identification. Vision based systems are anticipated to increase in quality and drop in price to allow a wide range of products to be identified without placement on the product of a bar code.

5. **Receiving and Shipping**. Increased attention will be given to automating receiving and shipping activities. Standardized shipping containers, scheduled receiving, electronic manifesting, automatic loading and unloading of carriers, as well as the application of robots and other forms of flexible automation, will receive greater emphasis. The high variety conditions common to receiving and shipping will be replaced by a disciplined approach to the functions with increased cooperation among suppliers, users, and customers.

6. **Design for Automation** The automation movement will result in greater emphasis on long range planning and a broader view of the total system. The warehousing function will be considered within the total system and greater attention will be given to system optimization. Systems will be designed for automation, even if automation is not immediately justified; such non-automated systems will be designed to be easily upgraded to automated systems.

PAPER MERCHANT PERFORMANCE

(Expense as a % of warehouse and indirect gross profit)

Distribution	Storage	Handling	Delivery
Printing	6.9	12.0	12.3
Industrial	6.5	8.7	14.6
Dual	7.9	10.7	12.5

Source: National Paper Trade Association, inc., 1984

For more complete merchant performance data, see "Management Information" on page 20.

7. **Computer Usage**. The approach used in designing control systems will be changed, with greater emphasis on "lean systems." A separation will occur between the control system required for the hardware system to *function* and the control system used to *manage* the system. Greater emphasis will be placed on putting information in the hands of the user, as well as increased responsibility for system function. One result will be increased use of micro-computers by operating and management personnel in the warehouse.

8. Personnel Usage. Warehousing in a changing world will require personnel with greater skills. The previous approach of assigning to the warehouse the least skilled employee will no longer be possible. Greater education and training will be required for personnel in the warehouse of the future.

9. Modular Facilities. Increased emphasis will be placed on the design of modular facilities for warehouses. The benefits of flexibility, expandability, and construction cost economies will result in greater use of modular construction, including pre-engineered facilities.

10. Operating Systems. The increased use of computer control will allow increased optimization of operating systems. Dedicated and randomized storage will be displaced by more sophisticated shared storage systems. Order picking will be performed optimally. Multi-criteria optimization models will be available and simultaneously design for throughput and storage utilization. Increasingly, decisions will be based on analysis, which will be performed in real time.

Transportation

As the economy goes, so goes the cost of transportation. It is a fair statement, but there are a few things that paper merchants should keep in mind. According to Alan Phillips of Data Resources, the transportation industry is much more fuel consuming than the economy in general. The moderating fuel prices of late have helped stabilize the costs of transporting goods, but the battle is not over.

Also, fluctuations in unionized labor have made changes in trucking as a whole. Data Resources forecasts relatively slow growth in the 1984-87 period for transportation costs, but after that, fuel prices may again push costs even higher.

For railraods, wages are at issue. If the railroads can keep wage costs in check, they will be in better shape to generate more business. Data Resources projects labor may elect moderate wage settlements in exchange for greater job security.

No one would be surprised to hear that the cost of operating a private fleet of tractor/trailers rose 2% from 1982 to 1983. According to an A.T. Kearney study conducted for the Private Truck Council of America, the cost per mile reached $1.29. The Private Fleet Cost Index survey did point out, though, that some of that increase was offset by tightening up on productivity—equipment costs and driver labor. Also, loosening of regulatory constraints and improved management practices helped fleet operators reduce "empty miles."

As reported in *Handling and Shipping Management* magazine, specific areas where productivity improvements were seen included miles-per-tractor. In 1983, tractor miles rose 6% to 97,000. Driver miles increased by about 2% to 76,400. And, empty miles declined to 21% of total miles driven.

Labor costs, on the other hand, accounted for the greatest increase in 1983, but the difference between union and non-union wages narrowed. This is attributable, in part, to union wage concessions. Fleets with leased, non-union drivers had the lowest per-mile rates.

Leased equipment, in general, had the lowest operating cost. Michael Lipman of A.T. Kearney reports that leased fleets save money because of better utilization of both equipment and drivers. These fleets averaged $1.26 per mile in 1983 showing no increase over the previous year. Company-owned trucks cost an average of $1.34 per mile to operate, up 5¢ per mile over 1982. Smaller fleets (under 30 tractors) still had an edge over larger ones: $1.25 per mile vs. $1.37.

Transportation costs *can* be held down. Paper merchants are finding that their efforts in transportation cost containment are giving them a productivity edge.

Questions Merchants Should Be Asking About Transportation

- Which modes of transportation, or mix of modes, should be used?
- How should individual carriers be selected?
- What is the appropriate role, if any, of proprietary trucking or rail operators?
- Should the firm provide its own equipment, and, if so, how should that equipment investment be financed (i.e., lease or purchase)?
- To what extent should contracts be used in lieu of relying on carrier offerings under tariff terms and conditions?
- When and under what circumstances should intermediaries be used?
- Should the firm seek to control the purchase of transportation by changing its terms of trade?
- What information is required by transportation management, and how should data be collected and analyzed to provide that information?
- What human resources are required, and how should those resources be organized and deployed?
- How should technology be exploited? What level of investment should be made in facilities, transportation equipment, and materials handling and packaging systems?
- Ultimately, what financial resources, both capital and operating funds, must be devoted to the firm's transportation activities?

Source: Transportation Strategies For The Eighties; National Council of Physical Distribution Management.

WAREHOUSING SPECIALISTS TALK ABOUT STORAGE TRENDS

Managing the warehouse function. Paper merchants must do it and do it well. No matter how successful a manager is at physical storage, he or she always has something to learn from others across the country.

With that in mind, **MN** *asked three warehousing specialists about how they are handling their functions.* **MN** *wanted to know, simply, "what's new." And what was discovered was not that automation has been solving everyone's problems, but that warehousing management still requires hard work and the application of many tried-and-true principles.*

Niel Christensen is vice president, physical distribution for the Zellerbach Paper Group, part of Zellerbach Paper Company, a dual merchant, headquartered in San Ramon, CA. He emphasized that the merchants on the West Coast have a larger warehousing concern than their counterparts back East. John T. Couleur is vice president of operations of Inlander Steindler Paper Company, Elk Grove Village, IL. His company is an industrial paper merchant. Couleur pointed out some important things to look for when building a new warehouse.

Gerry Grant, manager of warehousing and marketing services of the Butler Paper Company, has his offices in Englewood, CO. He spoke with **MN** *about the changes taking place in the warehousing design.*

What is unique about your company's requirements for the warehousing function?

Christensen: We have a different kind of warehousing concern here in the West. For one thing, the labor rates are much higher here. This makes us look toward greater productivity through automation of the warehouse.

Because of the geography in the West, we tend to have more regional warehouses. In Portland, for example, we have delivery routes that extend out 200 miles.

At Zellerbach, we have used the regional warehouse approach with branches working out of those warehouses. The distribution network has become one of having all of the items in one major warehouse with the key items kept in the branch location. We then combine orders and transport them to the remote locations.

We tend to have larger warehouses than most. Our Los Angeles warehouse is close to one million square feet; our regional warehouse in Portland, OR is 300,000 square feet.

Couleur: This may not be terribly unique, but we make an effort in our business to keep those high transaction items as close as possible to the shipping exits. Through our computer's stock-status system, we can locate our products where they will save us time and money.

Our operation requires a warehouse that is one-story, extremely clean, and equipped with the appropriate transporting and loading equipment. ISP business requires racking systems that can handle both palletized loads as well as single carton items. And, of course, we need a bulk storage area.

If you were talking about paper distribution only, you might set up a warehouse in one fashion. We here at ISP are more than just paper distributors. We are in packaging, janitorial supplies, etc. This means that the products we handle require different storage techniques: chemicals must be stored at specific temperatures.

Grant: A paper warehouse really must have either multi-level dock positions or adjustable dock levelers to accommodate the variety of trucks. Three different levels are really required for over-the-road trailer height, delivery trucks and UPS vans. Another requirement for anyone who has cutting or wrapping operations is temperature and humidity control.

What new techniques have been incorporated in your newest facility?

Christensen: We are now putting together a warehouse management system that uses the computer to aid in the filling of orders. This is all geared to getting the most out of our warehouse labor.

Our new facilities are high cube, narrow aisle warehouses. With the cost of everything going up, what we want to do is maximize the use of the floor space.

The computer system is now used for locating everything in the warehouse: Primary stock, excess storage, everything is identified in the computer. When the order comes out of the computer, it tells exactly where to pick that order.

The new system can also generate the pick tickets by section of the warehouse so the picking can be split up between two or more order fillers. Then, the orders are consolidated for shipping to the customers.

Couleur: The newest facilities we have contain energy conservation materials. These include high candle-power, low energy consumption lighting, extremely good insulation, and strate-

ADVICE ON BUILDING NEW WAREHOUSES FROM THE EXPERTS

Construction

- 15-20% office space
- Rail siding optional
- Narrow aisles with appropriate materials handling equipment
- Good rack systems (possibly with flow racks)
- 30 foot high cube, high density storage
- Wall and ceiling insulation
- Design and construct the best possible roof you can to avoid future headaches
- Make dock doors 8½ x 10 feet
- Avoid building inside docks
- Build dock shelters
- Use graduated dock heights: 48 inch docks for trailers, 42 and 44 inch docks for delivery trucks, and 27 inch docks for UPS trucks and a ground level or drive-in dock for will-calls, sales people and others
- Truck levelers also can help

Energy

- Microprocessor control of heating system, air conditioning, lighting and security
- Good insulation in the side walls and the ceiling
- Avoid use of large office windows
- Select energy efficient windows
- Use insulated dock doors where you have severe weather conditions
- Use dock shelters
- Dock curtains can help (plastic strips)
- Use skylights where possible
- Sodium or mercury vapor lights are best
- All lighting should be on variable controls (0-100%)
- Heat pumps are impractical for most
- Direct fired, pressurized heating is good to reduce gas consumption

Information Systems

- Warehouse management system
- Computerization of inventory
- Location of primary stock by computer, as well as excess storage
- Computer generated pick tickets (also by zone)

gically placed heating units with high BTU output that are low energy consumers. We have been very sensitive about the issue of energy conservation. And the idea is to build these innovations in from the ground up.

Grant: We have stressed energy conservation in all of our new facilities. There is a pause right now in the fuel crunch, but energy costs are still going up. We have also stressed maximizing cubic density storage. Within the existing building and fire codes, we like to build the highest possible clear storage space. And, of course, going with that is narrow aisle construction with the appropriate materials handling equipment. Through a combination of all of these, we have been able to take advantage of every available inch.

What advice do you have for the merchant who is considering a new warehouse or would like to make improvement in his existing space?
Christensen: The difficulty with the single location, small to medium size merchant is how do you allow for growth? Typically, people don't add-on anymore because building costs are so high. We have this trouble with our own branch locations.

The best advice is to improve your cube utilization in this case. We narrow down the aisles. There is usually nothing you can do about raising the roof of an old building, but you *can* computerize. The computer can help with stock location and splitting up orders.

The challenge in retrofitting an old facility is to see how you can do more business out of the same space that was tight to begin with. Labor saving devices are really the way to go.

Couleur: In building a new building, it is absolutely essential that you first design the warehouse layout. The placement of racking and bulk storage areas, etc. should be designated. Then, the lighting plan should be superimposed on the layout. When all the positions and flows are agreed on, then the architect should design the building around it.

A distributor makes a mistake when he says "I need a 40,000 square foot box." This can cause problems. With the lighting, for example, once it's put in, you are constrained by it. Too often, merchant houses are run by sales oriented people. When building a new facility, get the operations people in on it from the beginning.

Grant: A new warehouse or an old one can be improved by the addition of a microprocessor unit to control the heat, lights, security, etc. It's a $10,000 investment that pays itself back quickly.

In new construction, the old rule-of-thumb still holds true. You should select a land site that will accommodate a future expansion of 50% in size of your facility. As originally constructed, the building should handle your needs for five to seven years. Then you can add on. But you should have enough office space designed in at the start to cover any future expansion. The old rule that office and service space should take only 10% of the total facility doesn't apply today. It should be 15-20% of the total building.

Locating your facility on a rail siding isn't necessary any longer. If you do select a sight that is near a rail line, don't put in the spur unit until you feel it is necessary. Save your money.

Build truck docks to the new Department of Transportation ruling allowing truck bodies to be widened to 8½ feet.

LISTEN TO YOUR WAREHOUSE PEOPLE

"I find that I can improve productivity by pointing out the importance of each man's work. Treat them the way you want to be treated," stated one distribution executive who was speaking about his warehouse people. He goes on to say that he respects his workers and their opinions, and so they are quick to offer suggestions that help improve efficiency.

According to the Warehousing and Physical Distribution's "Productivity Report," the employees who work in one specific area of the business each day know that area and its problems better than anyone else. They can feed remedies to management.

How can executives learn to be good managers of warehouse people? Learn to be a good listener says the report. An "open-door" management policy encourages workers to speak up about changes that might be beneficial to the company. One company even created a forklift rodeo pitting management against the regular operators. The entire event was written up in the company newsletter. Broadening the rodeo to also include management was fun and a morale booster. It showed that management wanted to gain a better understanding of the warehouse job.

Monthly meetings with warehouse staff, suggestion boxes and productivity improvement contests can all help. Be creative about improving efficiency and supporting the warehouse staff.

CHANGING HEALTH CARE PLANS

According to a recent survey by the Wyatt Company, there has been a dramatic increase in the number of U.S. businesses that have raised deductibles in their health care plans for employees. In 1984, 43% of the plans had deductibles of over $100, compared to only 5% in 1980.

The study examined 1,115 employers, representing a cross-section of U.S. companies all that have showed a significant change in the design of plans for salaried employees. For example, there has been a 25% increase since 1980 in the number of employers who require employee contributions for medical coverage.

The survey also revealed that 97% of these employers have included health care cost containment provisions in their 1984 plans. Of these provisions, 80% of the employers adopted pre-admission testing; 58%, second surgical opinions; 67%, health maintenance organizations; and 44%, hospice care.

15
Mead
Trans rite
ROBOMAC 100
2

Mead's new warehouse utilizes an AGV system. This wire guided robot vehicle moves products as needed around the warehouse.

MEAD'S CINCINNATI WAREHOUSE:

It is nearly the size of two football fields and it's new. Costing $4.2 million to build, the Mead Merchants/Chatfield Paper Company warehouse in Cincinnati, Ohio ships products to Fort Wayne or Louisville. . . overnight.

The new facility is the pride of the Mead Merchants fleet. The warehouse/converting facility/office complex covers nearly 150,000 square feet and is the hub of Mead's Central Area supporting their operations in Ohio, Indiana, and Kentucky. "Product availability and customer service have been the name of the game around here for 152 years," said Bob Wright, vice president, packaging sales. And their commitment to that principle has driven the development of the new facility.

The warehouse has indeed improved customer service for the company. The new warehouse gives Mead the ability to fill complete orders out of its expanded inventory and has eliminated the need for the branches to stock the great variety of low volume items local warehouses are usually saddled with. According to Mead, this has allowed the branches to be more responsive to customer needs by tapping the resources of the central warehouse. The system is a spoke and hub design that has increased the flow of paper products to customers.

"The real advantage of a system like this," said Gene Haskamp, operations manager, "is that if I have two cartons in Columbus, two cartons in Indianapolis and two cartons in Cincinnati, each area can only offer two cartons to their respective customers. Because of how our hub and spoke system is designed, we now have six cartons available to all of these places."

Servicing 10,000 customers in a three state region means the hub must be extremely responsive to its spokes. "Almost half our orders are mailed in or phoned in," said Adam Meyer, vice president, executive sales. "The other half are entered into the system by our field sales staff." Regardless of the order source, the Cincinnati warehouse is set up to provide next-day delivery of all orders received by 5:00 PM. This includes orders that must be relayed from a distant branch in another state.

Such a physical distribution system dictates a sophisticated computer network. The reliable movement of information has become as critical as the timely movement of goods. The Mead ware-

NEW METHODS THAT WORK

house utilizes a computer system manufactured by the Digital Equipment Corporation. It is an interactive, order entry/inventory control system that can accept orders from any point in its network.

From the moment products arrive in inventory until the time they leave for final delivery, they are tracked by the computer. Even the materials handling equipment in the warehouse is computer controlled. "Our receiving personnel place incoming materials on Automated Guided Vehicles (AGV's) for transport to the proper warehouse location," Wright explained.

The AGV is a wire-guided system that is programmed to go to specific locations in the warehouse. This $100,000 investment in robotics has improved the flow of goods to the various locations in the facility. The AGV is a programmable messenger that has an 18,000 lb. load capacity. "The AGV system has been very successful. It has reduced the travel distance for an individual in the warehouse," Haskamp stated. "It's a big cost savings. When a warehouseman needs part of an order he is working on packed, he would have to travel over to the packing room. The AGV transports the material automatically and then the packer sends it to the dock on the AGV." On the dock, orders are stretch-wrapped and placed on trucks for delivery. With three shifts in the warehouse, the work continues around the clock.

Mead reports that compared with its old facility, the new operation has doubled the productivity per warehouse employee. Part of that improvement is attributable to the new technology of the AGV's. Another bit of new technology is the flow racks. These act like vending machines. When the first carton is taken from the rack, another comes down to take its place. Nearly half of the Mead warehouse is utilizing flow racks.

"If you move across 10 feet of space in this warehouse, you will cross 56 different products," said Haskamp. "A warehouse worker can pull the products he needs from the flow racks and drop them off on an AGV at the end of his aisle. The employee never has to leave his work area." There are 3600 flow rack locations in five aisles. (Of course, each aisle is 130 feet long.) The warehouse areas not using flow racks are accessed by two electric turret trucks. The old fork lifts have been eliminated.

MEAD WAREHOUSE STATISTICS

Owner:	Mead Merchants/Chatfield Paper	
Location:	3131 Spring Grove Avenue Cincinnati, Ohio 45225 513-681-2600	
Site:	10.454 acres	
Size:	103,000 square feet warehouse space 28,000 sqare feet converting space 16,000 square feet office space	
Cost of Construction:	$4.2 million	
Aisles:	6 Feet Wide	
Cube Height:	31 foot ceiling 27 foot rack storage	
Docks:	4 rail 16 truck	
Trucks:	6 tractors 11 trailers 5 20-foot delivery vans	
Employees:	140 total 12 converting 21 warehouse 11 drivers 2 dispatchers 3 traffic managers/clerks 91 office workers/managers	
Shifts:	3	
Unions:	Teamsters Office and Professional International Union Amalgamated Local 98	
Computer System:	Digital Equipment Corporation	
Trading Areas Serviced:	Cincinnati, OH Columbus, OH Dayton, OH Fort Wayne, IN Indianapolis, IN Louisville, KY	Evansville, IN Hartford City, IN Lexington, KY

THE WAREHOUSE: TRACKING EXPENSES

In the February, 1985 issue of *MN*, Dr. Peter Mullins (co-principal of Management Foresight, Inc.) discussed the measurement of customer and product line profitability. He pointed out that it has been typical in recent years for distributors' gross margins to be eroded by higher operating costs.

One major operating cost area, which has eaten up over 33% of total warehouse and indirect gross profits each year, is warehouse expenses related to storage, handling, and delivery. This article examines the industry-wide averages for printing paper, industrial paper and dual merchants from 1981-83. Annual results derived from the NPTA/MFI PAR (Performance Analysis Report) survey were used.

Among the major distribution problems of the 1980s to be confronted are: 1) personnel productivity, 2) warehouse design and layout, 3) space utilization, and 4) cost control. Paper merchants can use information from a survey such as PAR to compare their warehouse personnel compensation levels to productivity gains, as well as to the industry overall. The same is true for warehouse sales generated per cubic foot of space.

Dr. Mullins states, in his new book *Measuring Customer & Product Line Profitability*: "Warehouse expenses can be a major cost of operations, particularly in a wholesale distribution firm that handles a large number of small stock orders with a unionized work force." It can be very valuable to allocate operating expenses to customers by commodity groups. Warehouse *operating* expenses can be related to the number of warehouse invoice lines. Warehouse *occupancy* expenses can be related to the square or cubic footage of space occupied. And, *delivery* expenses can be related to the number of delivery stops made.

Merchants should also be looking at the cost of *receiving* shipments from suppliers. Things which can be analyzed include: number of shipments received, cost to receive a shipment, and the number of incoming invoice lines handled. A "cost per delivery stop" can be calculated. This analysis reveals why particular accounts are

PRINTING PAPER MERCHANTS

WAREHOUSE OPERATING EXPENSE

Median	1981	1982	1983	1984*	Your Firm
Storage Expense as % Whse. & Indir. Gross Profit	5.91	6.54	6.86		
Handling Expense as % W. & I.Gross Profit	12.72	13.58	12.02		
Delivery Expense as % W. & I.Gross Profit	12.52	13.52	12.30		
Facilities & Equip. Lease Payments as % Whse. Sales	1.58	1.82	1.51		

PRINTING PAPER MERCHANTS

WAREHOUSE PERSONNEL COMPENSATION & PRODUCTIVITY

Median	1981	1982	1983	1984*	Your Firm
Whse. Sales Per Cubic Ft. ($)	$ 6.84	$ 8.21	$ 9.04		
Avg. Pay Per *Whse. Employee* ($000)	$16.89	$18.36	$19.27		
Avg. Daily W. & I. Orders Per Whse. Employee	10.02	10.35	10.81		
Avg. Pay Per *Delivery Employee* ($000)	$17.82	$19.23	$21.04		
Avg. Daily W. & I. Orders Per Delivery Employee	21.83	20.01	23.26		

INDUSTRIAL PAPER MERCHANTS

WAREHOUSE OPERATING EXPENSE

Median	1981	1982	1983	1984*	Your Firm
Storage Expense as % Whse. & Indir. Gross Profit	5.90	6.07	6.50		
Handling Expense as % W. & I.Gross Profit	8.52	8.77	8.71		
Delivery Expense as % W. & I.Gross Profit	13.53	14.91	14.55		
Facilities & Equip. Lease Payments as % Whse. Sales	1.83	1.73	1.32		

Source: Annual MFI/NPTA PAR Surveys
*Data available June 1985, after PAR results are tabulated

AND PRODUCTIVITY

"high expense accounts." As shown by the tables, storage/handling/delivery expenses combined ate up as much as 31% of a typical paper merchant's gross profits in 1983.

Between 1981 and 1983, the average salary paid to a warehouse employee rose 7% yearly for printing paper merchants (to $19,270 by 1983) 8.5% yearly for industrial houses (to $17,060), and 5.5% yearly for dual houses (to $16,300). Delivery employees fared even better. Their average pay rose 9% yearly for printing paper (to $21,040 by 1983), 8.6% yearly for industrial (to $17,060), and 5.8% yearly for dual houses (to $16,590).

With such substantial pay increases, it becomes crucial to also look at productivity gains and the utilization of warehouse space. Printing paper merchants have the highest warehouse sales per cubic foot of space, $9.04 in 1983. This figure rose 16.1% annually from 1981-83. Industrial merchants followed at $7.84 per cubic foot (up 14.7% yearly). Dual houses' sales per cubic foot, however, actually fell 6.7% annually, to $7.11 by 1983.

Blank columns are included in these tables, so that merchants may fill in their own 1984 results when PAR data is released in June. To help the merchant perform this product-line analysis, the following information is available via the PAR report or the NPTA research department (by region, company size, etc.)...

- Warehouse sales per cubic foot ($)
- Storage, handling, delivery expense as % sales or warehouse & indirect gross profit (%)
- Average pay per warehouse and delivery employee ($000)
- Average order size ($)
- Handling expense per warehouse and indirect order & line item ($)
- Average daily warehouse and indirect orders, per warehouse or delivery employee
- Average daily warehouse and indirect lines filled, per warehouse employee

Also note that NPTA will be holding three sessions of a new seminar (Dr. Peter Mullins, speaker) titled: "Measuring Customer & Product Line Profitability." Sessions will be held on July 25 - New York, Sept. 5 - Chicago, and Oct. 23 - Los Angeles. His new book by the same title.

INDUSTRIAL PAPER MERCHANTS

WAREHOUSE PERSONNEL COMPENSATION & PRODUCTIVITY

Median	1981	1982	1983	1984*	Your Firm
Whse. Sales Per Cubic Ft. ($)	$ 6.06	$ 6.75	$ 7.84		
Avg. Pay Per *Whse. Employee* ($000)	$14.58	$15.14	$17.06		
Avg. Daily W. & I. Orders Per Whse. Employee	20.87	19.31	18.72		
Avg. Pay Per *Delivery Employee* ($000)	$14.55	$14.97	$17.06		
Avg. Daily W. & I. Orders Per Delivery Employee	22.34	22.53	24.51		

DUAL PAPER MERCHANTS

WAREHOUSE OPERATING EXPENSE

Median	1981	1982	1983	1984*	Your Firm
Storage Expense as % Whse. & Indir. Gross Profit	6.41	6.78	7.86		
Handling Expense as % W. & I.Gross Profit	10.32	10.37	10.69		
Delivery Expense as % W. & I.Gross Profit	11.89	11.87	12.47		
Facilities & Equip. Lease Payments as % Whse. Sales	1.58	1.56	1.72		

DUAL PAPER MERCHANTS

WAREHOUSE PERSONNEL COMPENSATION & PRODUCTIVITY

Median	1981	1982	1983	1984*	Your Firm
Whse. Sales Per Cubic Ft. ($)	$ 8.22	$ 7.56	$ 7.11		
Avg. Pay Per *Whse. Employee* ($000)	$14.69	$16.35	$16.30		
Avg. Daily W. & I. Orders Per Whse. Employee	12.40	12.85	14.23		
Avg. Pay Per *Delivery Employee* ($000)	$14.86	$16.07	$16.59		
Avg. Daily W. & I. Orders Per Delivery Employee	21.19	23.51	23.37		

Source: Annual MFI/NPTA PAR Surveys

*Data available June 1985, after PAR results are tabulated

PRINTING PAPER

PRINTING INDUSTRY STATS AND FACTS

According to the Department of Commerce, the graphic arts indusry (SIC 27) once again has the highest number of establishments: 53,500 at last count. Of the 20 major manufacturing groups included in the U.S. government SIC system, this classification jumped in rank for three categories: SIC 27 now stands #6 in total dollar payroll ($22.7 billion annually); #9 in value of shipments ($85.8 billion) and #10 in average hourly earnings ($8.58).

Interestingly, the number of firms with fewer than 20 employees—as compared to all the firms in the category—dropped slightly, from 82 to 80%. However, notes the Printing Industries of America, Inc. (PIA), the total number of companies reporting fewer than 20 employees increased by 4.5% to 42,448, a reflection of the industry's expansion.

The highest employment level in the composition industry is in the paste-up artist, proofreader and keyboard operator industries—with over 500 employees reported in each of these groups, according to the *1984 Wage and Fringe Benefit Study* published by the National Composition Association, a special industry group of PIA. The typical firm has a median of four keyboard operators.

PRINTERS FOUND PAPER EASIER TO GET REPORTS NAPL

The last quarter of 1984 saw printers happier about their paper situation reported the National Association of Printers and Lithographers (NAPL) in their Business Indicator Report. As a result, industry wide average number of days of paper inventory on hand fell 1.1 days.

Coated publications grades are still "teetering on the brink of short supply" stated NAPL. But a number of heatset web printers responding to their survey indicated that their deliveries of coated paper have been improving and that there has been some apparent easing of supply. What has helped the situation, reported NAPL, were increases in coated groundwood and free sheet imports from Europe.

PAPER INVENTORY LEVELS

Type	Days
Heatset Web	45
Non-Heatset Web	45
Combination Web Plants	45
Sheetfed	26

PRINTING INDUSTRY ORDER BACKLOG COMPARISONS

	Comparison First Day of 1st Quarter 1985 to Last 6 Months and to All-Time High Average Backlog in Days				1985 versus 1984 Historical Comparison Backlog on January 1, 1985 versus January 1, 1984		
INDUSTRY GROUP	**JULY 1**	**OCT. 1**	**JAN. 1**	**Record High§**	**MORE**	**SAME**	**LESS**
All Groups*	14.7	18.0	16.4	18.0	29%	56%	15%
Sheetfed	11.3	14.5	14.1	17.3	29%	60%	11%
Heatset Web	29.1	33.6	31.4	35.0	25%	50%	25%
Nonheatset Web	17.5	16.8	18.7	22.8	28%	45%	31%
Business Forms†	12.1	9.7	15.9	19.9	43%	44%	13%
Quick Printers	2.1	4.7	5.4	5.4	20%	77%	3%

§*Highest reported backlog 1980 to 1984, inclusive.*

**Excluding Quick Printers.*

†*Information for companies that produce business forms as a secondary (not a primary) product.*

Source: *National Association of Printers and Lithographers.*

GOVERNMENT LINKS DATA PROCESSING AND PRINTING FOR CONTRACT BIDDERS

In a move that has shaken up many printers around the country, the Government Printing Office (GPO) has required that bidders on the printing of some new army manuals must perform data processing as well. The 600-S contract, as it is called, combines automated data processing and printing under a single contract. The complexity of the work involved would limit the total number of bidders to a few.

When the project reaches its full development, reports Printing Industries of America (PIA), its annual value will be $35 million. The PIA Government affairs office has questioned the need for linking data processing and printing, especially when data processing will account for a signficantly smaller portion of the bid. What PIA expects is that the 600-S contract would be awarded to a data processing house that would in turn subcontract the printing. They are afraid that this link-up will become commonplace.

The Army manuals will require vast amounts of newsprint. PIA is also worried that the paper requirement will exceed the available U.S. supply and paper would have to be imported from Canada or other foreign sources.

INDUSTRIAL PAPER

NAPM REPORTS ON INDUSTRIAL PAPER DEMAND

The National Association of Purchasing Management (NAPM) reported demand for industrial papers and packaging products in their February, 1985 issue of *Insight*. In general, purchasing managers saw that the supply of paper was healthy and demand has been soft.

Paperboard mill backlogs were reported to be minimal and linerboard mills had taken some downtime at year end. Backlogs for MF and MG northern natural kraft were low. NAPM felt that the weakness in the linerboard market, might change mill production for these manufacturers that can swing from paperboard to kraft.

Linear low-density plastic films were readily available, but co-extruded materials had increased lead times. There was adequate supply at the time of folding cartons and corrugated boxes.

CUT YOUR WAREHOUSE COSTS BY 20%

According to a recent article in *Handling and Shipping Management* magazine, the Berton Company in Commerce, California (a distributor to supermarkets, pharmacies and discount chain outlets) cut their operation costs by over 20% by installing a new conveyor system.

In a weak economy, high-volume merchandisers need to maintain a price-competitive warehouse and distribution system. Inefficient carton handling can escalate labor costs for these firms.

In 1981, the Berton Company found that its sales growth was a mixed blessing because of the concurrent strain on operations. The company realized that its labor inefficiencies were created by the large volume it tried to expedite through its material handling system.

According to Richard Craig, Berton vice president of operations, the company "was paying a premium because our order pickers were spending more time to load and push their carts than was logical. Warehouse employees were tripping over each other, with pullers working in the same aisle as stockers."

When the company moved into a new corporate headquarters/order processing facility, they chose to redesign its system to minimize these labor inefficiencies as well as others caused by manual carton lifting on and off their single, straight line conveyor.

Berton installed a 912 ft., three-level mezzanine for zone order stocking and picking, controlled flow conveyors for zone accumulation, and a 300 ft. recirculating loop for order collating. Also added was a trash collection and conveyor system on the first two levels of the mezzanine for delivery of corrugated cartons to a baler. In all, over 3,500 ft. of powered conveyors were installed for rapid processing.

Craig said the company's decision "lowered the number of warehouse employees from 85 to 65, yielding labor savings of 20%. These savings are offsetting our depreciation costs incurred by the new system."

"We were looking at a five-year payback period for our investment," he continued. "But, now we see a recoup in much less than that. We need fewer warehouse employees despite an increase in material handling demands."

Craig noted, "In that sense, we have enjoyed real growth productivity, not just better productivity due to staff reductions in a poor economy." The company's order-processing facility has realized a unit productivity gain of over 10%. The 187,000 sq. ft. facility is now picking and pricing 565 items an hour, up from 500 items.

Berton's zone-picking has also added to its new efficiency standards. On each level of the mezzanine, picking teams pick quantities from an area restricted to 20 feet (about 100 product facings). Reading from the computer-generated pre-printed tickets for the quantities needed, order pickers take items from each level's 68 case flow-rack bays. Orders are then placed in tagged cartons by use of tilted gravity roller conveyors. These new conveyors have minimized the number of products that topple over in their cartons during the order-picking process.

The empty stock cartons from the case flow-rack bays are placed on the trash collection and disposal conveyor. Trash from the third level is dropped through an opening under the conveyor onto the second-level conveyor.

Craig notes, "Loading stock from the rear chutes, and pulling and checking orders from the zoned areas, has ended the job of lifting cartons on and off the conveyors. We have also noticed a remarkable decrease in back injuries since we installed the new system."

Once a carton is filled, operators direct it to a takeaway conveyor on each mezzanine level. These conveyors deliver cartons to three lines of controlled-flow conveyors on the double checking mezzanine, where they are halted by airoperated high roller stops.

The company's double checkers match ticket information from the pre-printed tags with their own visual check of customer pricing, types of items, and quantities they see in each carton.

"We need zoned, controlled flow conveyors in our double checking process because we want to concentrate on order accuracy, not manual accumulation and carton checking," Craig emphasized. "We now have the speed we want by using our employees more efficiently."

The double checkers have to nudge the cartons upstream slightly, against the line flow when it is in the accumulation mode, in order to check a ticket or price label. Once the cartons have been double checked, they are released to accumulation zones for sequential release (three lines into one) to the recirculating loop.

The cartons are placed sequentially onto a 180° curve on one end of the loop by a center-metering conveyor. Each side of the loop is 140 feet and is composed of two zone accumulators each. This system uses a live-roller conveyor designed for accumulation and sequential release of products zone-by-zone or slug release of full-lines without line pressure. It has a series of interconnecting 24 and 30 inch zone conveyors.

Along both sides of the recirculating loop are multi-level, portable order carts. These carts accumulate a store's complete order of cartons from the loop.

One employee, the carton collator, picks these cartons for one or two stores at a time, allowing other cartons to pass and recirculate until he can move to another area of the loop.

The carts are then moved to a shipping area where the cartons are removed and loaded aboard delivery trucks.

Repack orders are identified by special labels and placed on another conveyor by the sortation loop collator. These cartons are delivered to the repack area where the individual items are cased, sealed, labeled and shipped.

WASHINGTON WATCH

TRUCKING LEGISLATION IN 1985

During the past year, wholesalers have been concerned about the changes taking place in trucking legislation that have affected both long distance shipping and local deliveries. The Motor Carrier Safety Act of 1984 is a case in point. The legislation, as originally proposed, would have applied the Bureau of Motor Carrier Safety (BMCS) long-haul, over-the-road trucking regulations to local or intrastate commerce (over 10,000 pound trucks).

Senator Danforth of Missouri wanted to bring these within-the-state deliveries under the BMCS regulations. The National Association of Wholesale-Distributors (NAW) worked to defeat the intrastate portion of the bill. It took a tremendous amount of effort on their part to head off that part of the legislation.

"As the legislation was finally enacted," states Richard Turney, consultant to NAW on transportation issues, "it deals with truck safety in interstate commerce and mandates a two-year study of intrastate accidents. They were attempting to apply long-haul trucking field inspection and vehicles put out of service statistics to intrastate trucking. So, we were able to get a two-year study of the intrastate situation put into the legislation. What they were trying to do was write apple legislation with orange statistics. You can't do that," he said.

The NAW position prevailed over the extreme objections of Senator Danforth. The two-year study, now underway, is being conducted by the Department of Transportation (DOT). When the study is completed, DOT will make recommendations to Congress as to whether any of the BMCS regulations should apply to intrastate commerce. The verdict will be handed down in 1986 and many are not optimistic about it. New regulations for intrastate commerce may be inevitable.

There are provisions in any legislation that can be fought. But if all the rules that apply to over-the-road trucks find their way to the local level, merchants may have more record keeping to do. "The driver daily log, for example, may be totally unnecessary for local delivery vehicles," said Turney. "The driver should not have to be 21 years of age for the local level. Daily inspections of the vehicle with all the records being kept at the business site, etc. are quite burdensome regs."

Further Deregulation?

In 1980, the Motor Carrier Act became law. "The Act provided for annual Congressional review of the implementation and effect of motor carrier deregulation for a period of five years," said Patrick O'Connor, partner of the law firm Kent and O'Connor in Washington, DC. "With this five-year period coming to an end (this July), many in industry and the Congress are eager to pursue further deregulation with the goal of ending economic regulation of truck transportation and 'sunsetting' the ICC (Interstate Commerce Commission)," said O'Connor in the January/February, 1985 issue of *Warehousing Review*.

> *What they were trying to do was write apple legislation with orange statistics. You can't do that.*

The mood for further deregulation is present on the Hill. It is still too early to tell whether or not Congress will be able to gain a concensus of all groups involved (as was done in 1980). There will probably be further deregulation in ratemaking and some say that the trucking industry may go the way of the airline industry. "Even though the airlines have been deregulated, there is still a need for a supervisory organization to handle rates, etc." said Turney. "I don't think it's very likely that the ICC will be dismantled." It is not clear at this point whether the American Trucking Association will be in favor or against further deregulation. Paper merchants will have to wait and see what develops in the new Congress. A new Motor Carrier Act may not even come to a vote in this Congress.

SUPPLIERS AND FREIGHT RATES

The deregulation of the trucking industry has resulted in the determination of discounted freight rates between shippers and truckers. However, many wholesaler-distributors are finding that their suppliers are charging them back for freight, not at the discounted rate, but at a higher published tariff rate. Thus, the supplier is not only making a profit on the goods purchased, but also on the freight charges.

The discounted rates are usually the result of a rebate that is based on the volume of goods shipped and received with a designated carrier after the published tariff has been paid. These rebates can account for more than 25% off the published tariff.

Some suppliers remit this rebate back to the wholesaler-distributor who has paid the gross freight rate. However, others do not. Thus, the wholesaler-distributor may end up paying more than the actual freight cost for the shipment.

For example, a supplier ships goods to a wholesaler-distributor via common carrier at the wholesaler-distributor's own expense, F.O.B. suppliers dock. For the method of shipment, the wholesaler-distributor simply says "best way" or leaves it blank. The supplier then arranges for shipment via its designated carrier, prepays the gross freight rate and bills the wholesaler-distributor for this amount. The supplier then receives the determined rebate from the carrier and pays only a net freight charge.

Freight charges amount to a significant cost item for most wholesaler-distributors. Thus, it may be well worth it to check with suppliers to determine exactly what their policy is regarding freight rebates. Also, a wholesaler-distributor should specify how the product is to be shipped in order to become entitled to receive any discounts or rebates from the carrier as the shipper.

FEBRUARY, 1985

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day February 1985 - Compared To - February 1984	Sales Per Selling Day February 1985 - Compared To - January 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of February 1984	1985	Calendar Days' Cost* of Ending January Inventory 1984	1985
INDUSTRIAL							
1	- 1.3	+ 6.7	+ 2.0	48	45	53	–
2	+ 4.7	+ 6.2	+ 3.9	38	35	53	54
3	- 2.7	- 5.7	+ 3.2	39	36	67	61
4	- 2.8	+ 1.2	+ 0.9	39	37	61	63
5	- 1.8	- 1.7	+ 0.1	37	35	64	71
6	+ 7.8	+ 6.6	+ 6.8	44	38	–	–
7	+ 0.1	+ 3.0	- 1.9	40	39	71	66
NY Metro	+11.9	+ 2.3	+12.2	44	41	–	–
Chicago Metro	+ 4.5	+ 0.5	+ 3.0	41	38	–	–
LA Metro	+ 3.3	+ 2.1	+ 2.0	50	43	60	50
US	**+ 1.0**	**+ 1.0**	**+ 2.4**	**41**	**38**	**61**	**61**
PRINTING							
1	- 3.2	+ 1.2	+12.3	59	55	–	–
2	+ 8.8	+13.3	+ 7.0	47	45	65	65
3	+10.1	+ 4.2	+ 9.3	43	43	87	79
4	+ 7.7	+ 1.3	+ 8.0	43	41	73	68
5	+12.8	+ 2.5	+ 9.6	45	42	87	84
6	+12.2	+ 8.3	+ 9.2	39	39	–	–
7	+ 2.0	+ 4.8	+ 3.0	44	39	89	86
NY Metro	-10.2	- 3.4	- 1.5	43	41	–	–
Chicago Metro	+ 1.5	- 1.3	+ 7.0	45	41	–	–
LA Metro	+15.2	- 1.7	+15.2	42	39	87	100
US	**+ 5.1**	**+ 2.7**	**+ 7.0**	**45**	**42**	**82**	**78**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

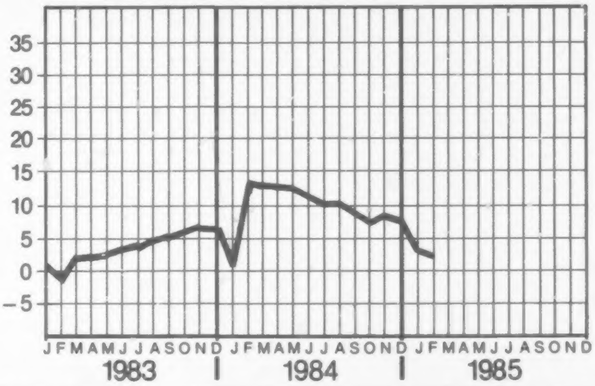
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

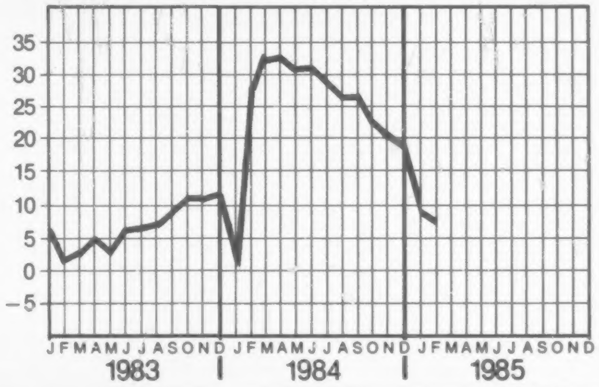
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



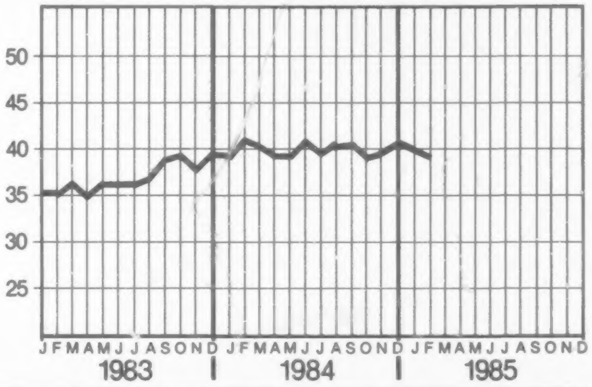
PRINTING PAPER SALES NATIONALLY



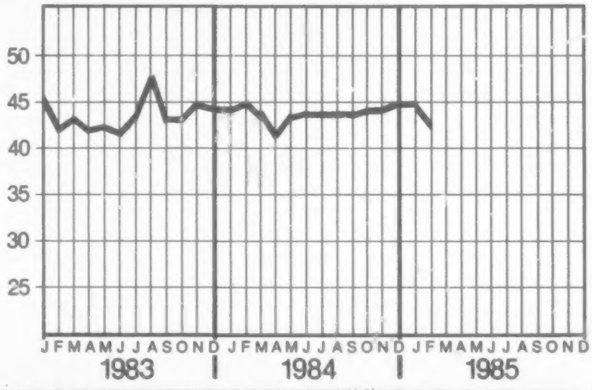
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



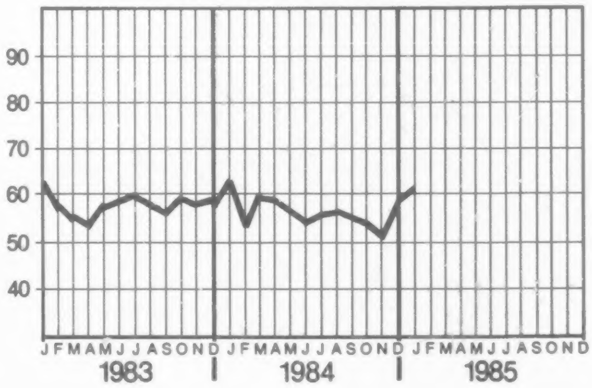
PRINTING PAPER RECEIVABLES NATIONALLY



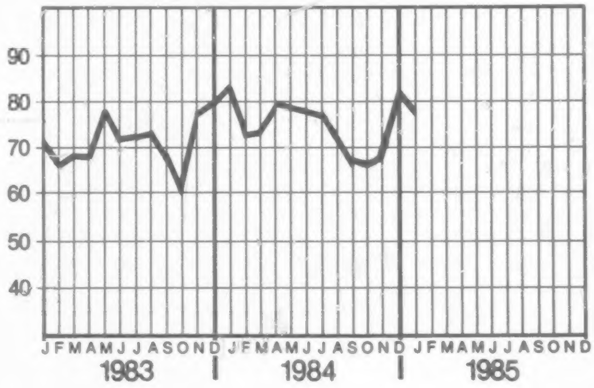
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

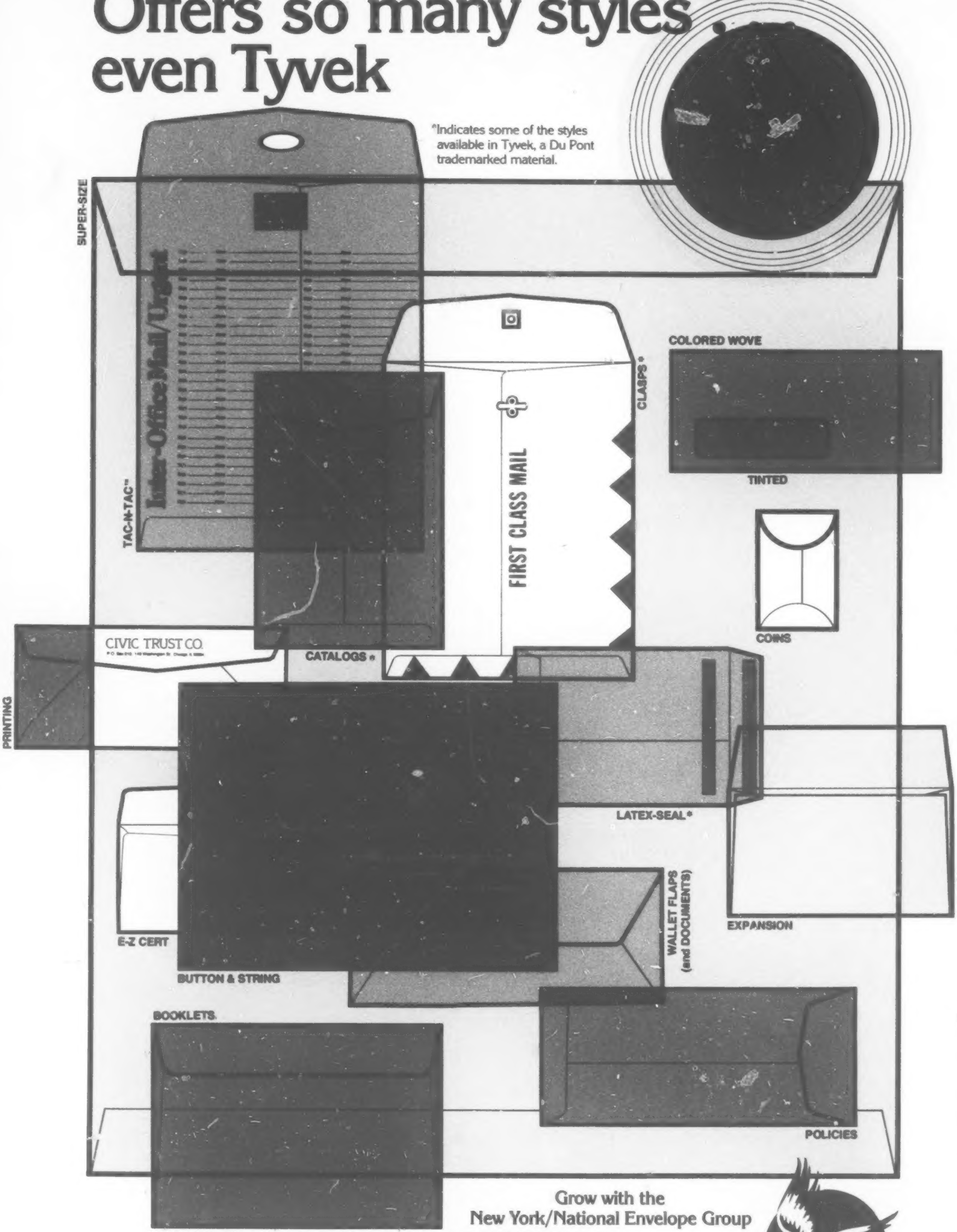
INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



Who but National Envelope Offers so many styles . . . even Tyvek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BUTTON & STRING
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POLICIES

*Indicates some of the styles available in Tyvek, a Du Pont trademarked material.

National Envelope Corporation

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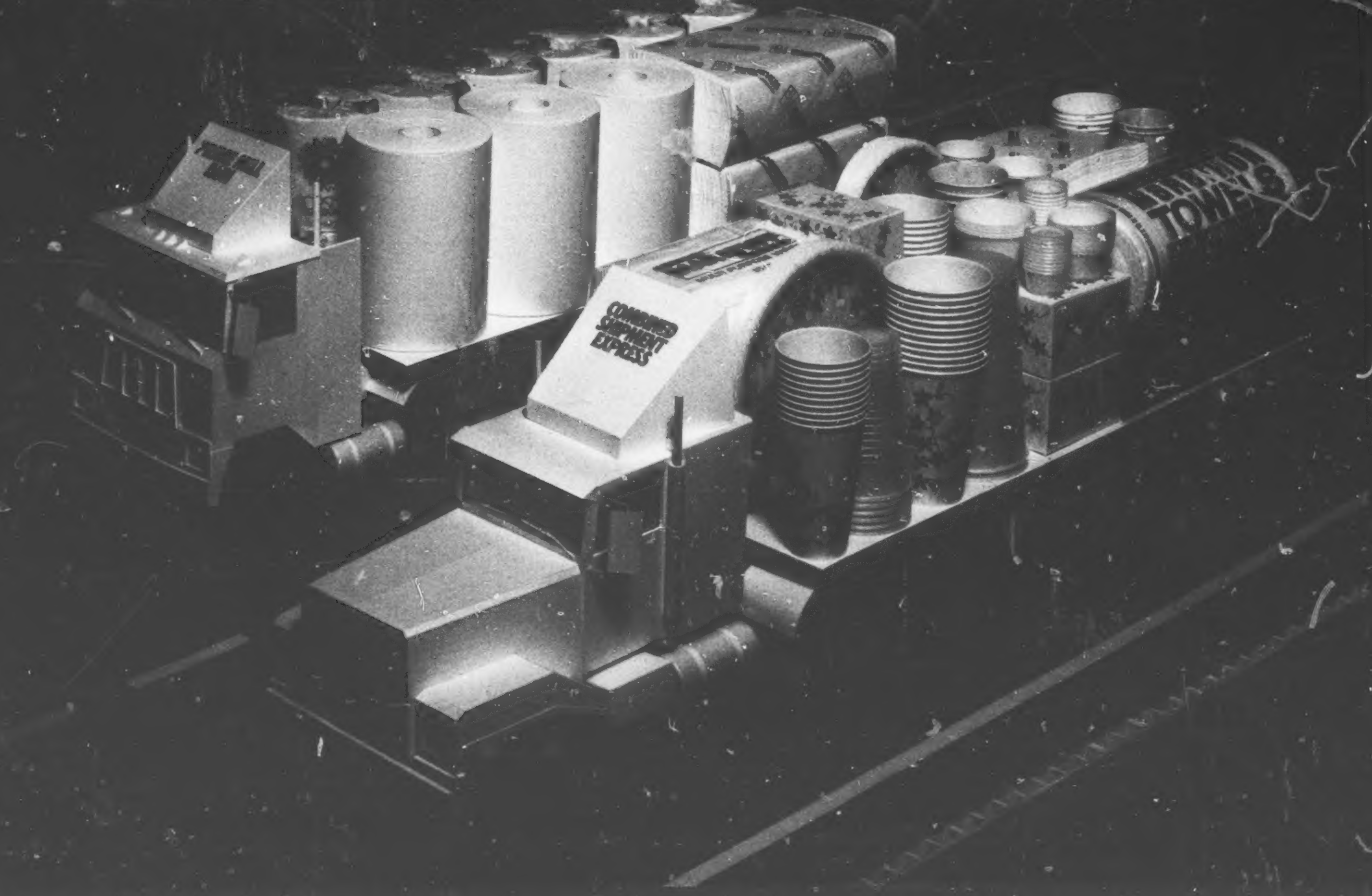
Envelope Convertors, Inc., Brooklyn, NY 11237, 718-386-6000, 800-221-0605.
Champion Envelope Corp., Union, NJ 07083, 201-353-8100, 800-526-6829.
National Envelope Corp., Worcester, MA 01607, Box 1728, 617-798-8711 TWX 710-340-0215.
Austell (Atlanta), GA 30001, 404-944-3322, 800-241-8173. TWX 810-766-3941.
Lenexa, KS 66215, 913-888-3282, 800-255-6288 TWX 910-743-0022.
Vinita Park (St. Louis), MO 63114, 314-423-6700, 800-325-0002 TWX 910-765-0943.

DIXIE/MARATHON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Either way, we have a remarkable record for accurate, on-time delivery. And

[illegible] Marathon representative for details.

JAMES RIVER CORPORATION
[illegible]

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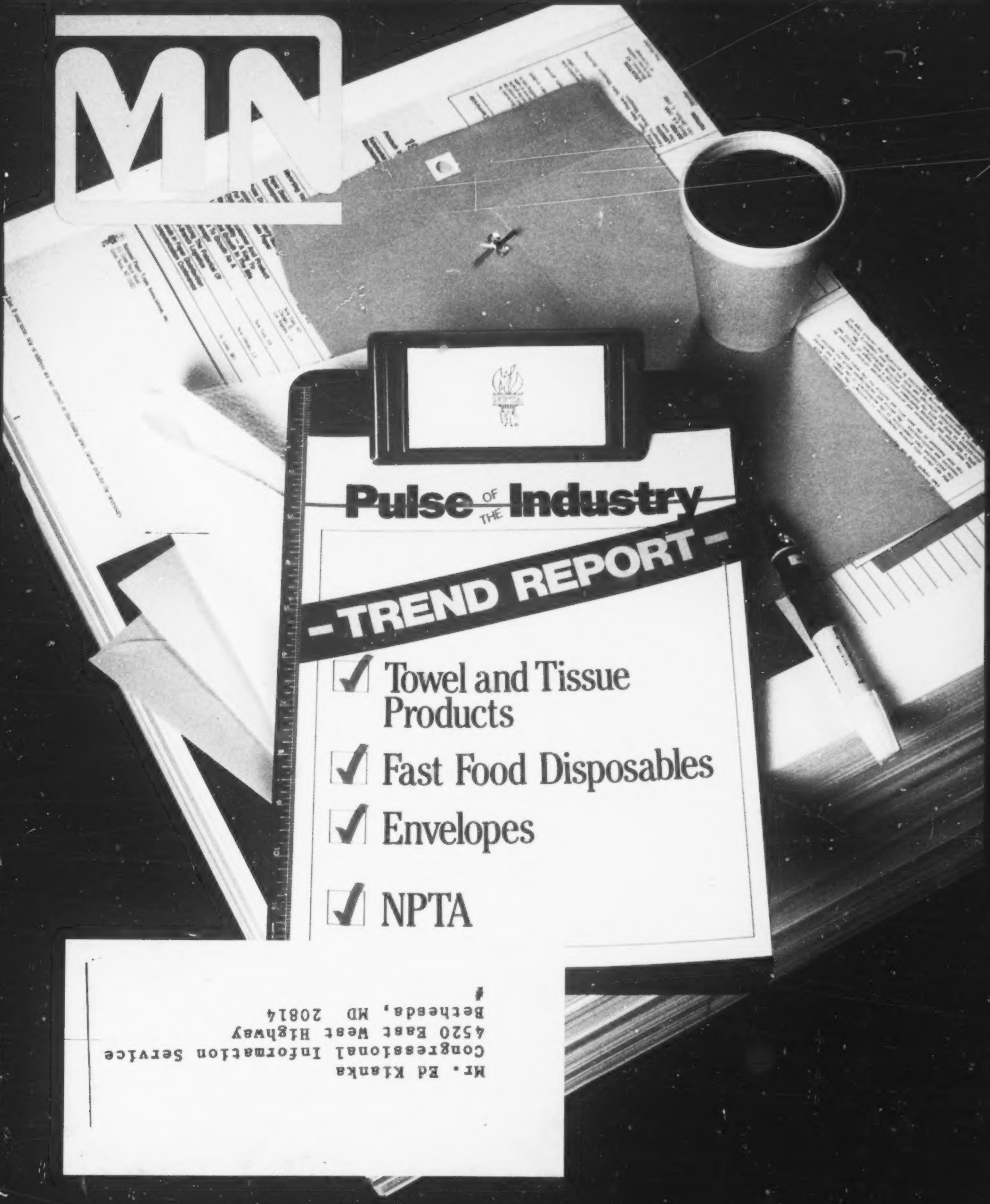
MAY 1985

MN



Pulse of the Industry

-TREND REPORT-

☑ Towel and Tissue Products

☑ Fast Food Disposables

☑ Envelopes

☑ NPTA

Mr. Ed Klanka
Congressional Information Service
4520 East West Highway
Bethesda, MD 20814

The Art of

Here are the attention-grabbing customers on Fort Howard's

Fort Howard's quality printing and in-house artists can do so much for your customers' business—turning plain napkins and place mats into printed products that:

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- Advertise an operation's menu items
- Entice bigger orders
- And much more

Fort Howard's eye-catching, custom-designed printed products and sharp, crisp printing quality can help build your customers' business—and yours.

Fort Howard's quality printing will make the most of your good name.

Fort Howard Paper

IN STEP WITH A SOCIETY ON THE GO

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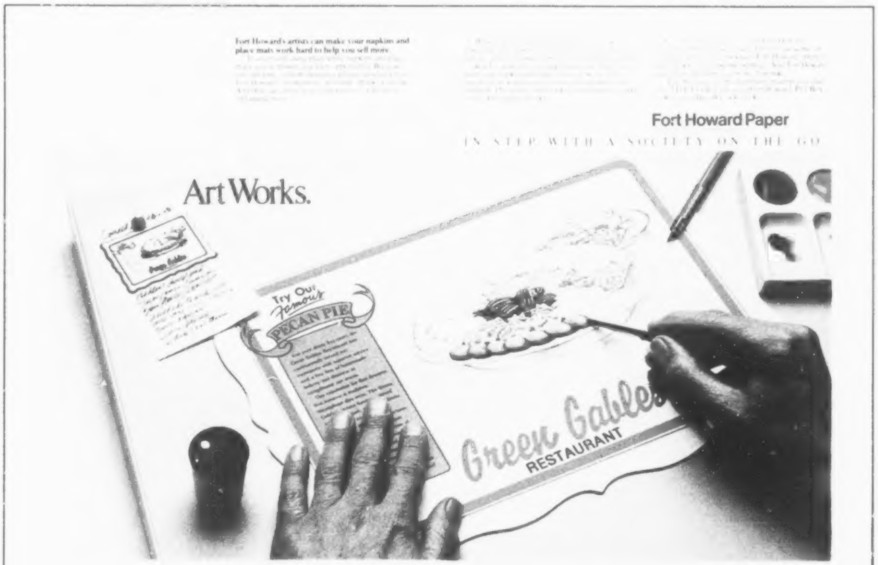
Johnathan's
SEAFOOD AT ITS FINEST
JUAN'S TACOS

Persuasion

ads that will artfully sell your printed specialties.

How to Sell:

- Find out what size napkin or place mat your customer is currently using.
- Then bring along a comparable printed specialty product that colorfully shows what a difference Fort Howard can make—the examples should practically sell themselves.
- Tell your customers that Fort Howard will do initial design work absolutely free. Just find out what needs to be shown or said and our staff of artists will render to those specifications. Then we'll send you the complimentary sketch in a high-quality folder for presentation to your customers.
- Use your own art of persuasion and turn an ordinary order for plain napkins and place mats into a masterful one for works of art from the Fort. It's an order that's sure to be repeated again and again for years to come.



Fort Howard's artists can make your napkins and place mats work hard to help you sell more.

Fort Howard Paper

IN STEP WITH A SOCIETY ON THE GO

Art Works.

Try Our Famous
PECAN PIE
Green Gables
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Fort Howard Paper
A Products Group of Fort Howard

IN STEP WITH A SOCIETY ON THE GO.

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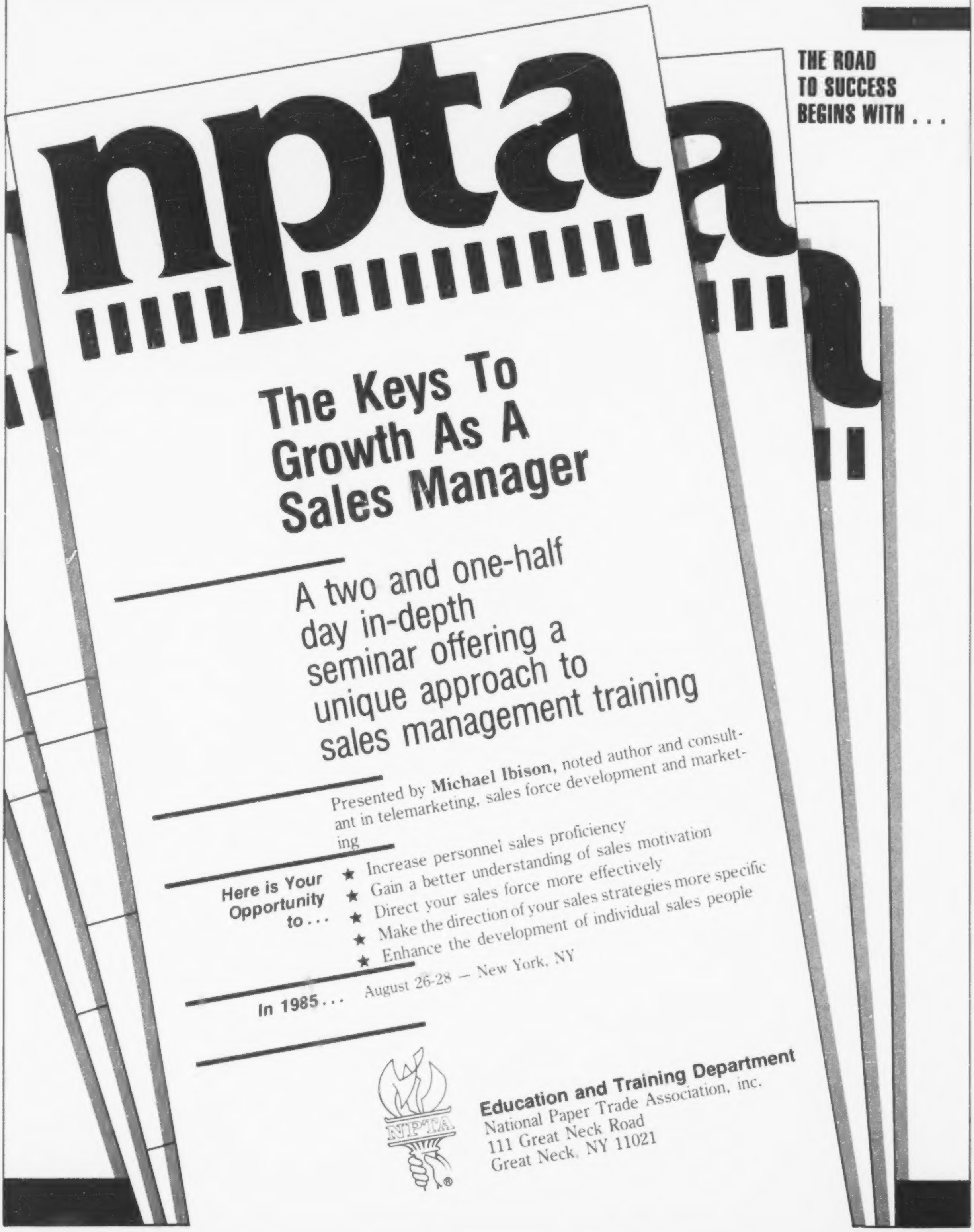

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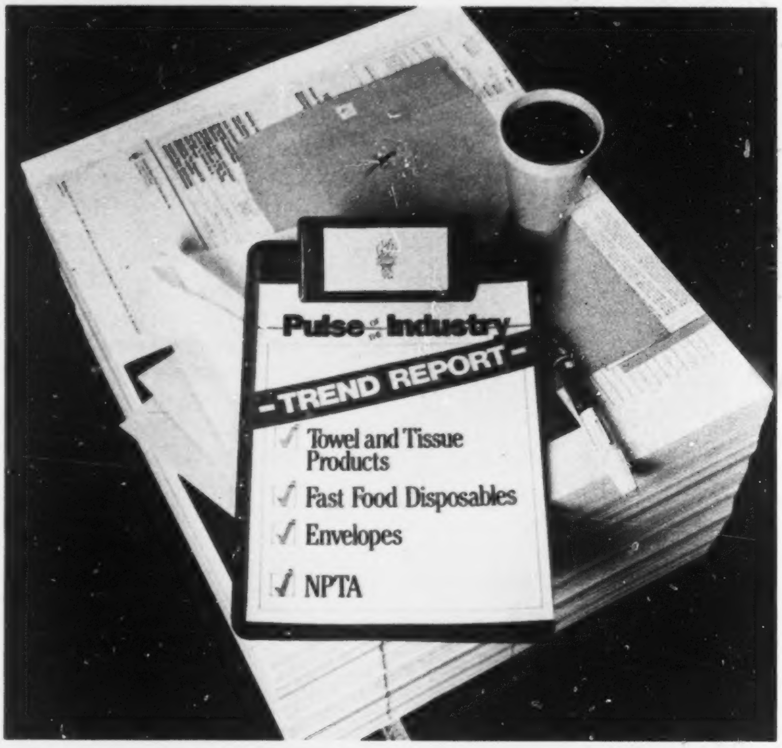

Cover Photo
Ben Asen

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GOLDSMITH BUYS INTO CZ

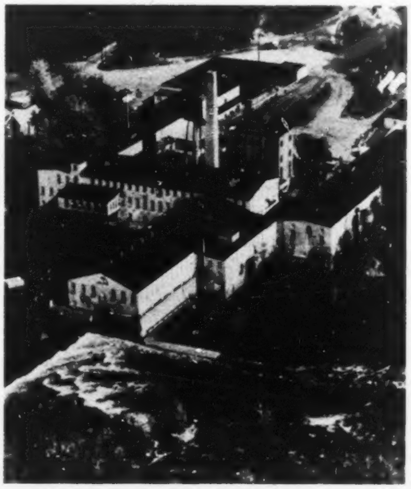
8.6% of Crown Zellerbach is now owned by British financier Sir James Goldsmith. The 2.4 million shares represented by the purchase is valued at $78 million.

Goldsmith just announced plans to purchase up to 70% of CZ. His proposal stated that if CZ does not revoke its complex anti-takeover provisions, he would still seek at least 51% of the company and reduce his offering price of $42.50 per share and may mount a proxy fight.

NEENAH EXPANDS OPERATION

Neenah Paper, a business unit of Kimberly-Clark Corporation, recently announced an expansion of its production, finishing and distribution capacity. The construction is expected to begin early this summer and when completed, the project will add 65 jobs at Neenah's paper mill in Whiting, WI.

Neenah Paper, with mills in Neenah and Whiting, is a leading producer of cotton content and premium sulphite correspondence papers and text, cover and other specialty papers. Its principal customers are paper merchants throughout the U.S. and Canada.



John O. Skagen, president of Neenah Paper, said that the continuing growth and demand for Neenah paper products lead to the expansion project. "Neenah Paper's growth has been built on high quality products and a strong relationship with our customers. The expansion will enable us to grow with our customers and meet the increasing demand for our products," Mr. Skagen said.

Most of the funds are planned for improvements at the Whiting mill, including a new paper machine and finishing equipment. The new machine will have a capacity of 90 tons per day and will increase Neenah's daily capacity by 35%.

The Whiting facility will be enlarged by 20,000 square feet through the new additions that also includes a structure to house a new boiler.

Improvements at the Neenah mill are also included in the project. Among these are the additions of new finishing equipment and enlargement of the customer service and order processing areas. In addition, Neenah Paper's distribution center will be enlarged by 45,000 square feet.

ABITIBI-PRICE PURCHASES CIP DAXION, BARBECON

Abitibi-Price Inc., parent of Inter City Papers Limited—the largest paper merchant in Canada, has purchased CIP Daxion Inc., a wholly-owned subsidiary of CIP Inc. CIP Daxion is an industrial paper and allied products merchant operating 18 distribution centers across Canada.

CIP Daxion had 1984 sales of $111 million (CAN) and employs 360 people. One report fixed the purchase price of the CIP deal at $25 million. "Abitibi-Price recognizes CIP Daxion as a well-managed, successful company," said Abitibi president and chief operating officer Bernd Koken. "This acquisition is consistent with our strategic plans to expand those areas of our diversified businesses with strong futures where we can become the best," he said.

Right on the heels of the Abitibi announcement was their offer to purchase all of the outstanding shares of Barbecon. Barbecon is a major distributor of printing papers in Canada and is the country's largest manufacturer of envelopes. Barbecon operates eight plants and 13 warehouses across Canada as well as a small retail office supply chain in Florida. "The acquisition of Barbecon," said Koken, "will enhance the opportunities for Abitibi-Price in the paper distribution and envelope markets." Barbecon had 1984 sales of $213.5 million (CAN) yielding a $5.5 million (CAN) profit.

Barbecon's 4.5 million outstanding shares are valued at $52.5 million (CAN), but it is doubtful that all shareholders will opt for cash. Abitibi is confident that they will swap stock.

In a 12 month period, Abitibi-Price will have spent $90 million (CAN) on acquiring distribution companies. Their burst of activity began last year with the purchase of Whitaker Carpenter Paper in Chicago. Whitaker Carpenter had annual sales of $73 million (US) and was purchased for about $12 million (CAN). Abitibi-Price's Inter City Papers opeation, prior to all of these acquisitions, had annual sales of $279 million (CAN).

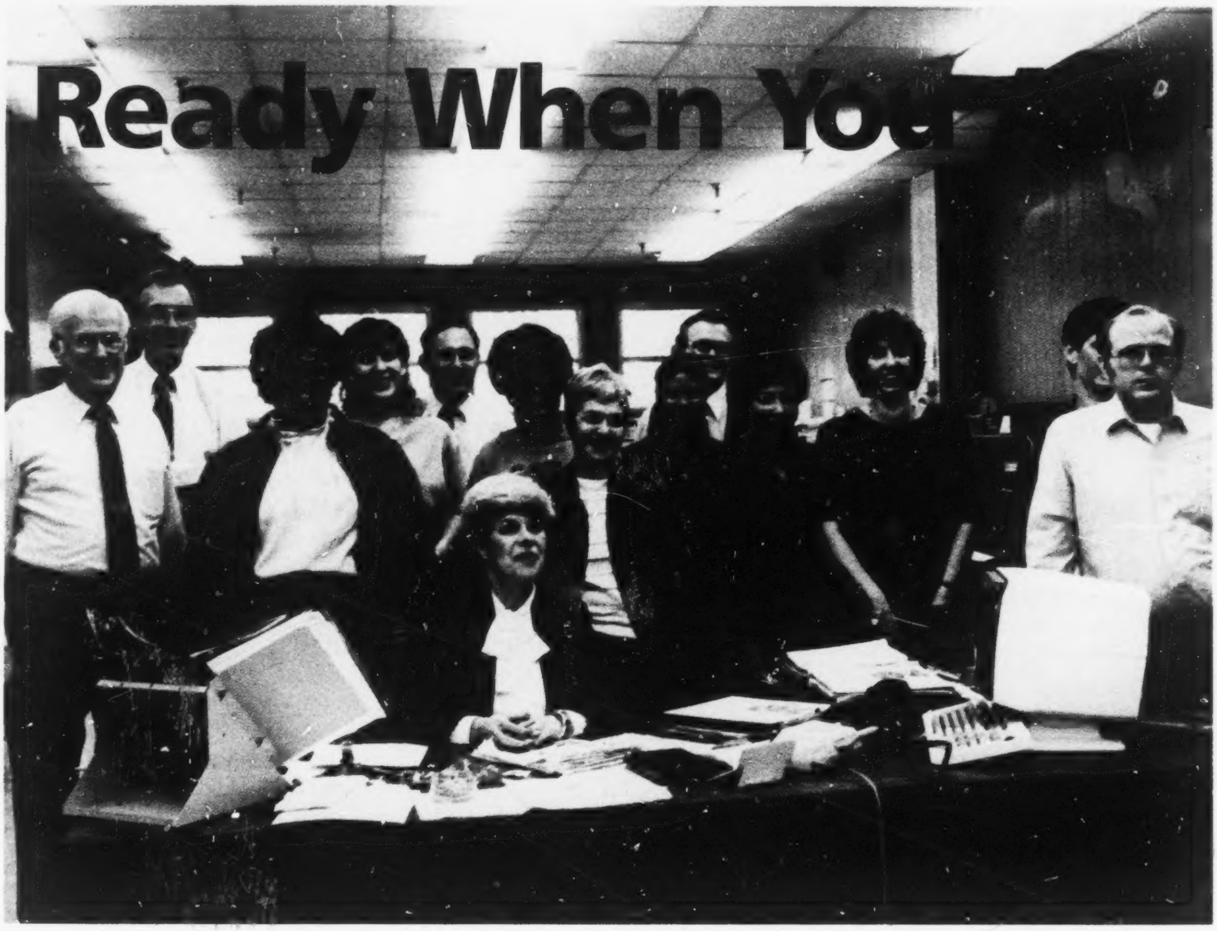
NORWEIGAN MEMBER FIRM SHOWS GROWTH

C. Tybring-Gjedde A/S, one of Norway's most efficient and market oriented distribution and sales organizations, has been experiencing vigorous growth during the last five years. This growth has been attributed to the development of new methods in the distribution and selection of goods and in the segmentation of clientele.

CTG is primarily a supplier of consumable products used in the daily business process. Their operation is divided into two areas: wholesale and cash & carry. The wholesale organization has four divisions: catering, commerce, industry and hospitals and the cash & carry segment offers a considerable range of consumer goods to individual companies.

In each of these two main areas, CTG has had an increase in revenue every year, with

Ready When You



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the cash & carry experiencing the strongest growth, averaging 40% annually. The wholesale growth has also been increasing steadily at 13.5% annually.

The contributions of these main areas to overhead and financial costs has increased substantially over the last five years—the growth in earnings being larger than the growth the sales had indicated. CTG will be able to continue this growth through a proposed rights issue, listing on the Stock Exchange and through a broader capital structure.

CTG also plans to allow for continued growth externally through new ventures and merger opportunities.

ALCO COMPLETES SAXON ACQUISITION

Alco Standard Corporation announced it has completed the acquisition of all of the common stock of Saxon Industries, Inc. by contributing the operations of its Paper Products Group to Saxon, and arranging for the distribution of approximately $145 million in cash and Saxon preferred stock, with a 10% annual dividend, to Saxon's unsecured creditors, debenture holders and stockholders. The initial distribution of cash and securities is anticipated in May. The company will operate under the name Paper Corporation of America and will be headquartered in Valley Forge, PA under the leadership of Richard C. Gozon, president of Alco Paper and Office Products and a vice president of Alco.

The newly formed Paper Corporation of America has operations in 37 states and consists of 14 wholesale paper distribution companies with 93 operating divisions, 5 converting companies with 11 manufacturing facilities and 8 separate warehouse locations. Paper Corporation of America also operates 25 retail paper stores.

Ray B. Mundt, Alco's president and chief executive officer stated, "This transaction which began over one year ago is the largest acquisition in Alco's twenty-year history. The acquisition places Alco in new and desirable geographies and gives Alco a major position in the envelope converting business through Saxon's Quality Park unit. The addition of Saxon's more than $400 million in annual revenues will make Alco's Paper Products Group by far the largest paper distributor in the industry, with annual sales approaching $2 billion."

Alco Standard Corporation, headquartered in Valley Forge, PA, is a diversified corporation with operations in distribution and manufacturing. For the fiscal year ended September 30, 1984, its revenues were $3.4 billion.

CATTY CORPORATION HAS NEW HEADQUARTERS

The Catty Corporation, a leading manufacturer of foil and gift box wrap as well as specialty packaging, has moved its facilities to a new location. The new headquarters, located at 111 Black Rock Turnpike in Fairfield, CT, has the total operational capabilities of in-line laminating, printing and embossing of foil to paper on board up to 10 points, custom printing of foil, paper, metalized papers, and it includes four laminating presses for supported foil, one press for unsupported foil and two five-color rotogravure presses.

In conjunction with the move, the Catty Corporation has issued a 1985 designer collection of patterns in the "All Occasion Supplement." Catty believes that these new patterns will complement the entire line and offer customers a greater selection of foil gift wrap.

Catty's move to the new location marks management's continued emphasis on streamlining operations to increase efficiency and provide the best service to their customers.

SCOTT AGREES TO ACQUIRE HOFFMASTER

Scott Paper Company announced that it has reached an agreement in principle to acquire The Hoffmaster Company, an Oshkosh, WI manufacturer of napkins, placemats, table covers and other products for the away-from-home foodservice market. Acquisition of the company, which also markets a line of consumer plates and plastic utensils, is pending approval of the final purchase agreement by both boards of directors and regulatory filings.

Scott chairman and chief executive officer Philip E. Lippincott said the acquisition of Hoffmaster, which recorded sales of nearly $50 million in 1984, will be an important step in Scott's growth strategy to build its position in the expanding away-from-home foodservice market.

"Total consumer spending for foodservices," Lippincott said, "is expected to continue its substantial growth. People eating meals away from home and a maturing population will sustain and accelerate the trend toward higher levels of service, including better quality napkins, placemats and other tabletop products."

Lippincott explained that Hoffmaster is particularly well-positioned to take full advantage of these demographic trends. "The company is a recognized quality leader in manufacturing, marketing and selling high quality specialty products to the foodservice industry," he said. "its distinctiveness centers on excellence in creative design capabilities, new product development and customer service."

Lippincott said that Hoffmaster will be a critical part of Scott's away-from-home market strategies, adding a strong foodservice presence to Scott's washroom and industrial wiper products business.

PAPER GROCERY SACK HISTORY SOUGHT

The American Paper Institute is looking for information regarding Charles B. Stillwell, the inventor of the paper grocery sack. All they know is that he lived in Watertown, NY and signed this patent over to the Union Paper Bag Machine Company of Philadelphia in 1883. The information is due on or before June 12, the day 102 years ago that Stillwell filed for his patent, and the Institute will give $1,000 in cash or 102 paper bags filled with groceries to the person who has "substantive" information about the paper bag creator.

The Paper Institute has nominated

Stillwell for a slot in the Inventor's Hall of Fame and they hope to get him added to a series of postage stamps honoring American inventors.

If you have information about Stillwell or are a direct descendant, contact the American Paper Institute, Kraft and Packaging Papers Division, 260 Madison Ave., New York, NY 10016.

GPO SAYS "THANKS" TO PAPER SUPPLIERS

At a luncheon hosted by Public Printer of the United States Ralph E. Kennickell, Jr., the U.S. Government Printing Office honored for the first time those firms which have been "consistently dependable suppliers of printing papers and blank envelopes." "It may seem like an over-simplification, but it is certainly true, that without the reliability of our paper suppliers, GPO could not meet its vital mission of providing the printing and binding needs of our Federal Government," Public Printer Kennickell noted in announcing the firms to be honored.

Each of the 14 firms received a plaque at the April 1 luncheon that was given at GPO in Washington, DC. The firms were selected in three categories: those which supply printing papers, those which supply blank envelopes, and those which supply both papers and envelopes. Those supplying papers are: Bulkley Dunton, New York, NY; Paper Corporation of United States, New York, NY; Paper Sales Corporation, Norwalk, CT; and Walker Goulard Plehn Company, Inc., Garden City, NY. Those supplying envelopes are: Boise Cascade, Envelope Division, Itasca, IL; Double Envelope Corporation, Roanoke, VA; Oles Envelope Company, Baltimore, MD; Union Envelope Company, Richmond, VA; and International Envelope Company, Aston, PA. Those supplying both papers and envelopes are: Barton, Duer & Koch Paper Company, Cheverly, MD; Frank Parsons Paper Company, Inc., Landover, MD; Nationwide Papers, Stamford, CT; Ris Paper Company Washington, Inc., Capitol Heights, MD; and Stanford Paper Company, Landover, MD.

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Call Bruce Linden, NPTA, Director of Education and Training, 516-829-3070.

Xerox Learning Systems

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"Few people outside the industry are really aware of the vast quantities of paper required by the Government Printing Office," Kennickell points out. In fiscal year 1984, for example, GPO used more than 113 million pounds of paper and more than 150 million envelopes.

"There have been times when the economy and other business conditions have made paper a hard to obtain commodity," the Public Printer notes. "Because these firms have made the extra effort to keep us supplied through both the lean and the plentiful times, it is the least we can do to recognize what I regard as an active show of patriotism," Kennickell concludes.

Representatives of each of the firms gathered with the Public Printer and top GPO officials for the luncheon and awards ceremony.

SCOTT TO OFFER HOME PRODUCTS FOR COMMERCIAL USE

Scott Paper Company, in an effort to capture more of the away-from-home commercial market, is now offering their Cottonelle® and Scotties® home-use products. As the hotel and motel industry has become more competitive, operators of the highest quality establishments (which are generally represented by the upper third of the industry) have become more conscious of the value of high quality room amenities.

Scott's research has revealed that some hotel operators spend as much as four to six dollars per room per night on what are called "soft amenities" in an effort to provide guests with the best package of products available. Industry trends show that lodging owners in all categories are upgrading their guestroom and bathroom amenities packages, and this is what Scott is counting on with this new offering.

By teaming up their new Cottonelle® and improved Scotties® tissues in matching colors and coordinated packaging, Scott feels that it is giving the high-end commercial market better service. Gerry Hurley, lodging product manager for Scott Paper, said "what people like to use at home they will now be able to use when away from home. The trend in the industry is clearly toward higher quality soft amenities. We feel that giving people distinctive and high quality products."

PEOPLE IN THE NEWS

William B. Bregman, president and co-founder of Deltapaper Corporation, was named chairman of the American Cancer Society, Philadelphia Division 1985 Crusade.

J. Kevin Chapman, sales manager of Rotary Paper Manifold Company, has been elected vice president of that division.

Robert E. Kline has been re-elected as president of the G.A. Rinn Paper Company of Allentown, PA and **Clifford C. Pate**, former secretary-treasurer and office manager, has been named vice president and general manager. **Thomas R. Anderson**, assistant secretary and controller, has been promoted to secretary and assistant office manager and **Thomas A. Goodwin**, head of accounting, has been elected treasurer.

Lawrence S. Riemer has been named industrial sales manager of Butler Paper Company - Milwaukee division.

Adie C. Templeton, formerly assistant division operations manager of Ris Paper Company/Washington, Inc., has been appointed branch manager of the Richmond, VA division. **Thomas J. Maloney**, vice president of Diem & Wing Paper Company, a division of Ris Paper, has been named branch manager of the Cincinnati, OH division and **Donald R. Chamness**, also vice president of Diem & Wing, has been elected branch manager of the Indianapolis, IN division. Also, **Jayne Herchenroder** has been appointed assistant controller and internal auditor of Ris Paper, Garden City, NY.

Paul E. Ross has joined Mayer Myers Paper Company in the position of inside sales manager.

Irving Kapner has been appointed chairman and CEO of Willmann Paper Company and **Robert Caliguire** has been named president and COO. **Rhoda Dubofsky** has been promoted to executive vice president/general manager and assistant secretary and **Alfred C. Kruger** has been elected senior vice president and treasurer of the company. In addition, **Martin A. Frankel** has been named vice president and secretary and **Jeffrey Friedberg** has been appointed vice president-director of purchasing.

John F. Walsh has been promoted to vice president-national sales and **William Cartwright** has been appointed vice president-purchasing and inside sales of Seaman-Patrick Paper Company. Also, **Raymond W. Fisher** has been named vice president-warehousing/distribution and **David M. LaMothe** has been elected vice president-operations of the company.

Bill Silzle, retired purchasing agent and now company consultant, recently celebrated his 50th anniversary with S. Walter Packaging Company and also, his 80th birthday.

T.O. Bancroft, Sr., co-founder of Bancroft Paper Company Inc., and Bancroft Bag Inc., passed away on March 10th after a lengthy illness.

Philip W. Battaglia, president of Printing Management Inc., has been appointed executive director of the Association of The Graphic Arts' Greater North Jersey Graphics Group.

Robert H. Horn, former general manager of Anchor Hocking Foodservice Division, has been named president and general manager of Plastics Inc., a plastic products division of the company.

Albert J. Dunlap, president and chief executive officer of Lily-Tulip, has been named to the additional post of chairman effective immediately.

S.A. "Tony" Johnson has been appointed executive vice president and chief operating officer of Pentair, Inc. and **Allan J. Kolles** has been named corporate vice president of human resources of the company.

Ralph B. Tippet has been named merchant sales manager of Penntech Papers.

Robert F. McCabe has been promoted to vice president-sales of James River Paper Company, Riegel Division.

Joseph G. Meighan has been named vice president, sales and marketing-converted products division of Gilman Paper.

Printing Paper

INDUSTRY TO BEGIN MANUFACTURING CLAUSE EFFORT

The effort to extend the Manufacturing Clause of the Copyright Act beyond 1986 is beginning again as PIA Government Affairs seeks sponsors for the legislation in the House and Senate. PIA anticipates that the effort to obtain co-sponsors will be directed initially at the co-sponsors from 1982 in the Senate, primarily Senator Strom Thurmond (R-SC). The primary sponsor in the House of Representatives died before his legislation was passed in 1982, so a new House sponsor will have to be identified.

"This year's effort to extend the Manufacturing Clause takes on an entirely different tone from the effort in 1981-82," stated PIA in its publication *The Capital Letter*. "At that time, the primary focus of the Manufacturing Clause debate was on job loss, with the nation facing its highest unemployment in years. Congress was in no mood to pass legislation that would threaten jobs in any industry at a time when unemployment was so high. With unemployment down in 1985, the primary focus of the Manufacturing Clause will be the trade deficit."

While the printing industry continues to enjoy an overall trade surplus when all products are added together, specific categories of printed products are experiencing enormous import pressure, reports PIA. Product categories such as calendars, catalogues, and certain prepress material—film and separations—have begun to experience tremendous growth in imports without a corresponding growth in exports. Since printing throughout the years has not been an exporting industry, the printers have been somewhat lax about restrictive trade policies. Consequently, the only remaining restriction the U.S. printing industry has on trade is the Manufacturing Clause, stated PIA.

PIA, the Book Manufacturers Institute, and NAPL are working together to have legislation introduced that will allow countries to be exempt from the Manufacturing Clause only when they agree to provide access to their markets for U.S. printed products. As soon as the Manufacturing Clause bill is introduced, PIA Government Affairs will initiate a letter-writing campaign to win support for the measure.

NEW REPORT ON PAPER AVAILABLE

Strategic Futures, Inc. has published a report that assesses the supply/demand outlook for the U.S., Canadian, European and Nordic markets. The study, "Paper and Printing Outlook Report," examines 24 end-use printing markets while concentrating on all of the major grades of publication printing papers—coated groundwood and freesheet, supercalendered papers, uncoated groundwood and freesheet and newsprint. The topics that are covered include: driving forces; apparent interim and long term grade switching trends; timing for new capacity; future role of imports; and pricing trends through 1987. The publication presents implications for both suppliers and users of paper. It is available from FIND/SVP, 500 Fifth Ave., New York, NY 10110, 800-223-2054. The price is $2,800.

A REPORT FOR ALL SEASONS

The Quarterly Business Indicator Report (QBIR) has shown that the graphics art industry expanded more rapidly than the national economy in 1984 and should continue increasing through 1985, the National Association of Printers and Lithographers reported recently. The report indicates that in 1984, the commercial printing industry sales grew by 15.5% to a record $34.9 billion, stimulated by a surge in the demand for graphics arts products. This figure exceeds the growth rate of the Gross National Product by over 4 percentage points.

The growth of the printing industry, however, brought an increase in costs as well as higher revenues to the graphic arts. During the first three months of 1984, commercial printing production costs increased by 2.5% and by the end of the year, the costs were 7.2% higher than they were in 1983. Regardless, during this year, printers earned pre-tax sale profits of 8.3%. This growth rate is expected to continue through 1985, but at a more moderate rate.

According to the report, 71% of the survey participants expect to achieve higher sales, 70%, higher earnings, and 58%, higher profitability during 1985. They also expect the demand for printing equipment to remain strong during this year.

The NAPL analysts are less optimistic about 1985. They expect printing sales to increase by 11.6% rather than 15% as in 1984 and they warn that the industry's annual growth rate will fall to approximately 5.75% by next January.

The QBIR is based on an in-depth quarterly survey of North American printers who are contacted over a two-week period. The survey results are supplemented by the results of other association studies as well as government economic data and are analyzed by industry experts.

For more information on the survey, contact: Communications Department, NPTA, 111 Great Neck Road, Great Neck, NY 11021.

GCA DRAFTS PROPOSAL

The Graphics Communication Association (GCA) has produced the most comprehensive draft proposal to date for the creation of an electronic manifest for the paper industry.

GCA is a group made up of fine paper manufacturers, large commercial printers, magazine and book publishers from the U.S.A. and Canada. They are calling the proposed electronic manifest format EMBARC (EM = electronic manifest; BARC = bar coding). While the proposal is still in draft form and is still being reviewed and studied, a final version will be recommended shortly.

The publishing industry chose to develop manifest standards because control of paper is essential for the economic well being of the industry. When the industry began its "War on Waste" program, they scrapped one-third of their raw material. Electronics have helped them to reduce their waste to less than 5%. Now electronics will bring a new dimension to paper control: Coordination among supplier, paper mechant, publisher and printer.

A manifest lists the contents of a shipment of goods to one customer or its designated recipient. With the computer controls that are an integral part of a modern paper mill, the roll numbers, skid numbers, physical dimensions, weights and other specifics that make up a paper shipment manifest can be generated as part of the manufacturing process.

The computer at the mill can easily and inexpensively transmit the information to any and all customers who need to know about their order. All that is required is agreement on certain procedural and technical specifics. This is what EMBARC intends to do.

QUICK PRINTING STATS FOR 1984

The average quick printer had monthly printing sales of $16,000 in 1984 reported *Quick Printing* magazine. The average printer's 1984 total was $192,000. With four full-time employees and one part-time employee, the average sales per employee came to $42,667 or $3,555 per month.

The year-end total represented an 18.5% increase over the 1983 figure of $162,000 for the average quick printer.

Industrial Paper

BOX IDENTIFICATION: MAKE SURE IT'S CLEAR

When industrial paper products are warehoused, the question of ease of identification becomes a very important one. Finding a needed item in stock can be made easier if both manufacturers and merchants follow simple rules set out by the National Paper Trade Association.

Efficient warehouse operations cannot be attained without well-defined policies and procedures. Methods of materials-handling and direction of personnel should be established. All types of containment and packaging should be easily recognized. Markings or labels should contain adequate information to quickly and positively identify the contents in the container.

The following list of nine procedures is recommended to all those seeking to improve carton identification:

1. Labels and marking should be suitable for modern warehousing and transportation.

2. All labels, markings and stencils should be printed with letters and numerals at least 1½" high or higher. The type size can aid in the quick identity of the product, thus reducing errors in stock selection and customers' complaints.

3. Labels should be positioned at the right hand end and adjacent side of the bundle, carton, package, etc. Rolls and unitized loads should be identified on both the sides and on the ends.

4. The use of rubber stamps is not considered satisfactory for marking packages.

5. Labels should be readable at 20 feet by a person with 20/20 vision in a warehouse where light measure is, at least, 20-foot candle power.

6. Rolls should indicate total weight, basic size and weight, and diameter of roll.

7. Printing the identifying label data in black on white background can produce sharper images and greater readability. Other contrasting color combinations may offer good readability.

8. Stencils. If it is not feasible to label some products, and marking by the stencil method is necessary, then identification marks should be in two places with permanent ink.

9. The containment of all types of paper and paper products should be strong and sturdy to insure delivery free from damage, such as protection against dampness in transit. Cartons should open without injury to personnel or damage to the contents. Packaged items should be well sealed to protect the contents. Paper merchants should issue special instructions as to containment for rolls, or special packages. Printed cartons should have complete identification on two sides.

WHERE IS THE COMPETITION COMING FROM: Part II

The March issue of *Management News* discussed competition from the tobacco & confectionery distributors, but where else is competition coming from? A primary source is the grocery wholesalers. During the last ten years, these distributors have made great strides into new markets and product lines, particularly paper. Previously, the most popular lines with this group were food service disposables, but now, some distributors are also expanding into towel and tissue goods, various wipes and chemicals, writing papers and pad goods, retail packaging and health care disposables, all for the industrial marketplace.

Why have these distributors branched out into these new product areas? Wholesale distribution seems to be developing the idea of "the full service distributor." The basis of this idea is to provide customers with their every product need. It enables the distributor to become the customer's primary source for his goods. This has also allowed them to expand their customer base to areas they have never serviced before. For example, in the past, grocery wholesalers only serviced "mom & pop" groceries and then eventually supermarkets. Now they have expanded to include institutions, convenience stores, corporations, restaurants, hotels, amusement parks and specialty shops.

By expanding their product mix, these

wholesalers have been able to provide all their customers' needs. In addition to paper products, they carry items new to their primary food base such as: hardware supply, health & beauty aids, over-the-counter drugs, auto supply, pet care items, home products such as hand towels and cutlery, tobacco goods, confectionery goods, small appliances, books and magazines, photographic supply, records, audio and video tapes, toys and games, chemical cleansers and detergents and office supply. In the paper area, they have added meat and food wrap, foam containers, party supply, wipes, towels and napkins.

Grocery wholesalers have also done an excellent job in aiding their customers by helping them merchandise these products with planograms and rack supplies. Wholesalers have re-organized customers' stores in order to help them make every inch more profitable. Most of the additional products can be sold at a lower profit margin than from the distributors who carry these items as their main product line because the wholesalers' primary product line carries the "load" of the operating expenses. In effect, the customer can save on other items and still get full service and merchandising. At the same time, they only need to deal with one sales person and one invoice.

This has become a major issue in management—the amount of time spent with sales people and invoices. Customers are now demanding that suppliers provide more service and less visitation. Time management experts agree that many hours have been wasted due to multiple suppliers so customers are now looking for one good supplier to increase their share of business.

How have grocery wholesalers added to their service? Most now include a sanitary supply service as part of their offerings. Financial reporting is another service the grocery wholesaler provides such as profit and loss reports and stocking information. Additionally, they provide credit terms and financial assistance to businesses in trouble, emergency deliveries, co-op advertising, free racks and food cases and much more.

While paper distributors have never aimed at servicing retail stores or grocery wholesaler customers, they should research those customers who would be worth the effort. There is obviously the opportunity for a large profit if the paper distributor can expand enough to supply those items needed to service these customers.

If the paper merchant is to compete successfully with the grocery wholesaler, the tobacco & confectionery wholesaler and others who are or will be adding paper goods to their product mix, then the future may hold this type of expansion. Whether these wholesalers' present or future customers are the current customers of paper merchants is the most important question the paper distributor can ask. The second question is: "Can the paper merchant effectively serve the grocery wholesalers' customers?"

EVENTS

MAY

5-10. *Paper Distribution Management Development Program, Miami University, Oxford, OH. Contact NPTA.*

14-15. *Sales Development Conference, Atlanta, GA. Contact NPTA.*

15-19. *National Paperbox & Packaging Association's Annual National Convention, Wigwam Resort, A Mobil Five-Star, AAA Five Diamond, Gold Key and Moorand Award Winner, located in Litchfield Park, AZ.*

16. *New England Paper Merchants Regional Association meeting, Cambridge, MA.*

29-30. *Successful Inventory Management For The Wholesale Paper Distributor, Chicago, IL. Contact NPTA.*

JUNE

3. *Boston Paper Trade Association Golf Outing, Canton, MA.*

4-6. *The 13th Annual Technical Symposium sponsored by INDA, Association of the Nonwoven Fabrics Industry, will be held at the Copley Plaza, Boston, MA.*

4. *Telemarketing - The Key To Maximizing Your Sales Efforts, Memphis, TN. Contact NPTA.*

5. *Telemarketing - The Key To Maximizing Your Sales Efforts, Atlanta, GA. Contact NPTA.*

6. *Telemarketing - The Key To Maximizing Your Sales Efforts, Ft. Lauderdale, FL. Contact NPTA.*

6. *Empire State and Allied Paper Association Joint Conference at The Sagamore in Lake George, NY. Contact Thomas Lamberton at Empire State Paper Association.*

11. *Marketing Value Added Services, Indianapolis, IN. Contact NPTA.*

25. *Telemarketing - The Key To Maximizing Your Sales Efforts, Philadelphia, PA. Contact NPTA.*

26. *Telemarketing - The Key To Maximizing Your Sales Efforts, Boston, MA. Contact NPTA.*

27. *Telemarketing - The Key To Maximizing Your Sales Efforts, New York, NY. Contact NPTA.*

DIMENSIONS IN TRAINING

PICKING THAT OPTIMUM PERSON

Are you planning a personnel decision anytime soon, either hiring or promoting an employee?

How can you be sure of that individual standing so hopefully before your desk? If you knew what actually made him tick, wouldn't that help you decide whether to let him continue in sales or move him to the support staff?

The answer, according to management consultant Milt Cotter, lies not only in learning more about people before they are hired, but in analyzing your present employees to see the types of training that would help them be specifically valuable to the productivity and profitability of your business. Personnel and business success are highly augmented by management training, sales training and motivation programs.

To guarantee that the right person has been selected to fill the right job, the manager must determine who an employee is, how he thinks, what really motivates him (security or prestige?); can he keep the pace of the job he wants, is he mature enough for its demands, is his mind open or set in concrete?...all these facets and more enter into how successful the individual can be in a given job, explains Cotter.

This careful evaluation costs money, but surprisingly little compared to a faulty personnel decision. In fact it's no secret that thousands of dollars can be wasted (which is particularly crippling to a small organization) if a newly hired and trained person proves inadequate for the job.

Avoiding such trauma for a company and aggravated stress for the poor unfortunate person who is made a manager and then found to be too cold, distant and unbending to work for, opens the doors to the evaluation business. People need to be placed where they can do best but people do not always (or, for that matter, often) know where they can function most effectively. They generally know what they like or a career they admire, but not whether they can meet its mental and personality demands.

According to the *Wall Street Journal*, business people tend to duplicate themselves when hiring, to hire "our kind of person." This subjective chemistry can—more than half the time—cause the technically best qualified person not to be hired. Therefore, many companies now use as many as five or six time-consuming, expensive interviews with various members of the firm to have a prospect eyed by future peers.

Hiring or promoting is a perilous business. You're already coping with a number of subjective factors such as the interview, reference check, education (a degree from one university is not the same as a degree from another). Can experience be deceiving also? Yes, a sales career affords a chance to look very good because of the territory inherited or the product sold, or very bad when a person is cold-calling in an undeveloped territory.

> *Hiring or promoting is a perilous business...Placing the "right person in the right job" can contribute greatly to the success of your business.*

Enlightened management training, motivation and goal setting must happen, and sales training be put into effect before the company can sell, serve and hold its rightful share of the market. "For years companies could put any half-decent product on the market and see it snapped up by the customer," said Cotter. "Now things are different. Only the prepared are surviving these times and the productivity and profitability of a company ultimately rests on the training, management and direction it provides for the right person in the right job."

In keeping with his desire to consistently upgrade the training and education of the membership, President John J. Buckley, Jr., announced that the National Paper Trade Association is offering a comprehensive NPTA Personnel Manual to paper distributors. Intended for use in conjunction with the *Profile Evaluation Program* Booklet, earlier endorsed by the NPTA, these two business management tools have been designed and implemented by Profiles and refined through many years of service to the paper industry and to some 6,000 other client companies.

The *Paper Merchant's Guide to Personnel Selection and Evaluation* presents fundamentals of a good personnel system of valid interest to the paper industry. How to Interview, Legal and Illegal Questions for the Application Form and Interview, Writing Job Descriptions, The Legality and Utility of Testing, How to Select, Guidelines for Accepting or Rejecting an Applicant, Reference Checking, The Necessary Personnel File, Reprimands and Terminations, and much other worthwhile information is contained in the new NPTA Manual.

Concise, but authoritative, the manual comes with a complete appendix of "do-it-yourself" personnel forms to implement in the paper distribution operation, including a prototype "Policies and Procedures Manual." This NPTA Personnel Manual is designed for the personnel novice, but serves to refresh the intermediate level human relations worker as well, while it teaches EEOC compliance through proper personnel procedures.

The *Paper Merchant's Guide to Personnel Selection and Evaluation* is available from the NPTA Communications Department for $85.

By Marj Rogers

Marj Rogers is a technical writer for Profiles International. She has been with the company for seven years.

PAPER MERCHANT SALES REPORT

MARCH, 1985

NPTA Regions	Sales Per Selling Day March 1985 - Compared To - March 1984	Sales Per Selling Day March 1985 - Compared To - February 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of March		Calendar Days' Cost* of Ending February Inventory	
				1984	1985	1984	1985
INDUSTRIAL							
1	- 2.6	+ 1.3	+ 1.7	45	42	--	56
2	+ 5.5	+ 6.6	+ 3.0	36	36	45	65
3	+ 6.7	+ 4.3	+ 3.8	36	37	57	57
4	- 2.8	+ 7.1	+ 2.7	39	38	57	56
5	+ 6.5	+ 5.3	+ 3.1	36	36	56	63
6	- 0.4	+ 2.6	+ 4.9	40	41	--	--
7	+ 7.7	+ 7.6	+ 1.4	41	39	--	61
NY Metro	+11.8	+ 4.8	+11.4	45	40	--	--
Chicago Metro	+ 1.1	+17.3	+ 2.7	39	39	--	--
LA Metro	+ 2.2	+ 5.1	+ 1.4	48	48	--	47
US	**+ 2.9**	**+ 5.3**	**+ 3.3**	**40**	**39**	**55**	**58**
PRINTING							
1	+12.2	+ 6.7	+15.8	51	49	41	58
2	+ 1.4	- 7.6	+ 5.0	47	41	59	57
3	+10.5	+ 5.3	+ 9.1	43	43	85	78
4	+ 4.2	+ 1.0	+ 6.9	31	41	70	66
5	+ 8.1	+ 2.2	+ 9.5	46	43	85	79
6	+ 1.0	+ 7.0	+ 6.8	40	41	--	--
7	+14.3	+12.1	+ 6.2	41	39	--	76
NY Metro	+ 9.0	+ 2.8	+ 1.9	43	40	--	--
Chicago Metro	+ 3.4	+ 6.0	+ 5.9	43	42	--	--
LA Metro	- 2.1	+ 1.1	+ 7.1	46	42	84	89
US	**+ 5.9**	**+ 2.6**	**+ 6.7**	**43**	**42**	**71**	**71**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

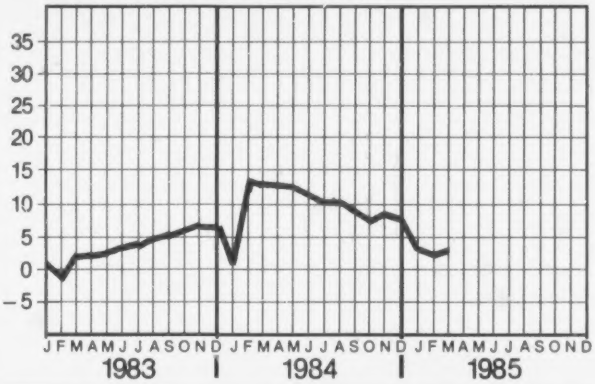
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

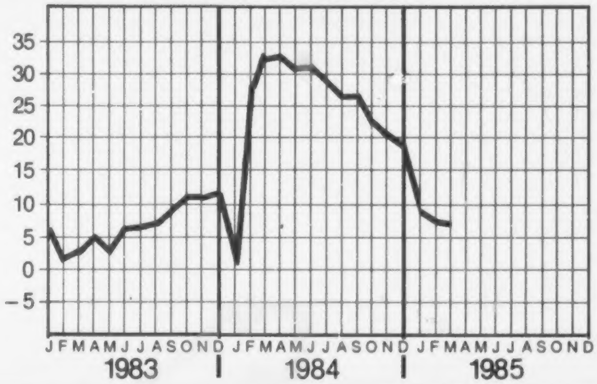
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



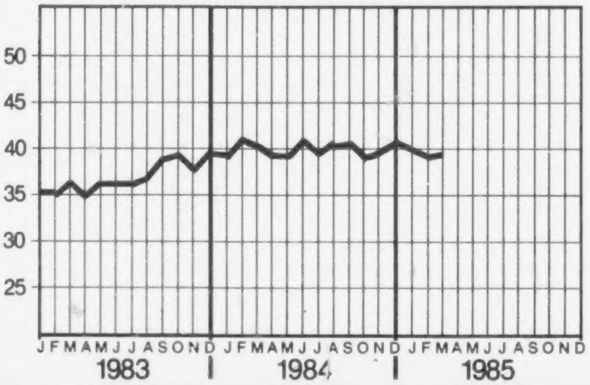
PRINTING PAPER SALES NATIONALLY



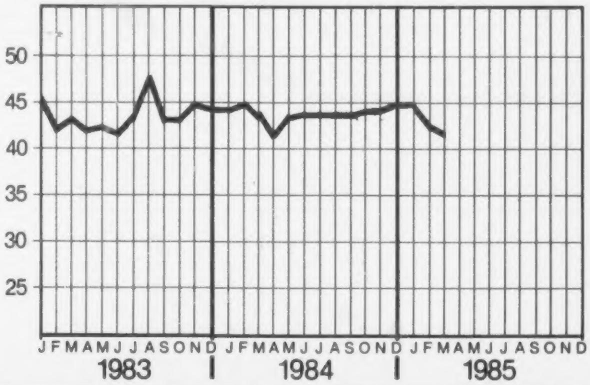
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



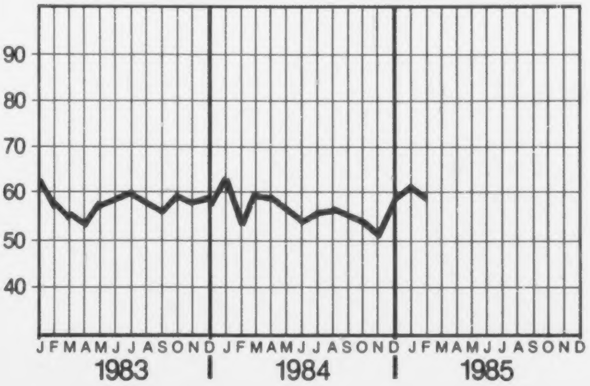
PRINTING PAPER RECEIVABLES NATIONALLY



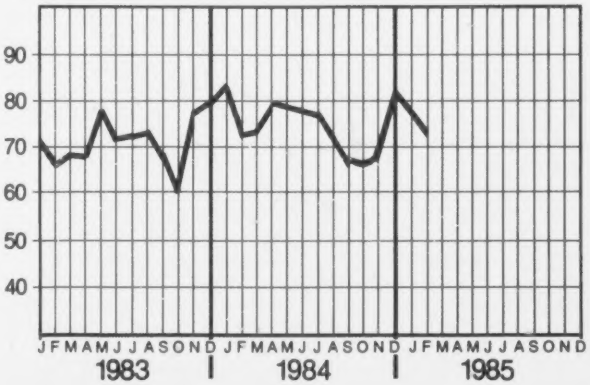
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



NPTA ANNUAL REPORT

The National Paper Trade Association's fiscal year ended on February 28, 1985 and its Annual Report shows significant growth in both income and expenses. Membership growth was also significant this past year.

Many new membership services were launched and the Association's level of activity continued to increase. New staff members were added in 1984 and the computerization of NPTA headquarters was begun.

PAPER FOUNDATION

During 1984, the Paper And Plastics Education Research (PAPER) Foundation embarked on the most ambitious and far reaching program in the history of the paper distribution industry: The Endowed Research Chair. This eminent scholar, visiting professor chair will study trends in paper distribution and will be established at the University of North Florida, Jacksonville.

To endow this chair, a one million dollar fund raising effort was launched. Industry response has been favorable with only $200,000 left to be raised to meet the goal.

The benefit to the industry will be significant. Trends in physical distribution, marketing and the economics of the industry for example will be studied by leading professors from the academic world. Publications, conferences, seminars, and audio visual programs will be developed to document the research results.

A major industry event, the annual NPTA Chairman's Luncheon, has been created as a fund raiser for the Foundation. At this important event, the winner of the Stanley O. Styles Industry Excellent Award is honored.

PRINTING PAPER

NPTA's Printing Paper Division accomplished much in 1984. The "Quality Report" project, begun in 1983, gave merchants an easy-to-use method of dealing with paper problems experienced by their printing customers. 1984 saw the introduction of the "Quality Sampling Kit" that made the collection of the necessary samples to document a claim much easier. Many printing and dual paper merchants have adopted the NPTA method that has been endorsed by Printing Industries of America, The National Association of Printers and Lithographers and the National Association of the Printing Ink Manufacturers.

The Division also developed and launched the first "Printech Week" program at Rochester Institute of Technology. This one-week course for printing paper sales people and their managers was attended by 23 and another Printech Week has been scheduled for later this year.

For 1985, the Printing Paper Division's Committee has planned to update the popular sales brochure, "What Does the Right Paper for Your Job Really Cost?" In addition, the group will be studying the possibility of publishing other educational materials for the trade.

INDUSTRIAL PAPER

The Industrial Paper Division provided many important programs for the Association's industrial paper merchants during the past year.

NPTA FINANCIAL STATEMENT

Income ($000)	**FY Ending 2/28/85**	**Percentage of Total**	**FY Ending 2/29/84**	**Percentage of Total**
Membership Dues	615.1	39.2	544.7	41.7
Convention & Exposition	362.9	23.2	338.0	25.9
Education & Training	254.1	16.2	206.8	15.8
Management News Magazine	84.3	5.4	--	--
Communications	75.7	4.8	74.9	5.8
Research & Statistics	41.4	2.6	34.1	2.6
PAPER Foundation	70.6	4.5	41.4	3.2
Executive & Administrative	64.6	4.1	65.2	5.0
TOTAL	**1,568.7**	**100.0**	**1,305.1**	**100.0**

Expenses ($000)	**FY Ending 2/28/85**	**Percentage of Total**	**FY Ending 2/29/84**	**Percentage of Total**
Membership Services	305.9	19.6	302.5	24.1
Convention & Exposition	241.3	15.4	289.2	23.0
Education & Training	321.9	20.5	266.5	21.3
Management News Magazine	168.0	10.7	--	--
Communications	45.0	2.9	44.5	3.6
Research & Statistics	142.5	9.1	135.2	10.8
PAPER Foundation	132.0	8.4	20.8	1.7
Executive & Administrative	209.6	13.4	194.2	15.5
TOTAL	**1,566.2**	**100.0**	**1,252.9**	**100.0**

CHAIRMAN'S CORNER

THE ANNUAL REPORT

The NPTA fiscal year ended on February 28, 1985 and the annual report of the Association is contained in this issue of *Management News*. A brief review of it will give you a sense of what our organization has been doing this past year. It certainly has been a year of fast growth and new projects.

Income was up 20.2% for the year and expenses climbed 25%. Income derived from dues was 39.2% of total income. Because of the growth of other income sources (Annual Convention and Exposition, publications, advertising, etc.), a member firm received over $2.55 in services for each dues dollar invested. Last year, members received $2.39 in service for each dollar invested in dues. We are constantly striving to give you more.

It was a very busy year with many long-term projects becoming realities. We created a whole new level of education for our industry: university programs in leading institutions. The Printing Paper Division held its first "Printech Week" at Rochester Institute of Technology and the two one-week courses for industry managers at Miami University of Ohio were initiated. And a long-term educational project was launched this year by our Paper And Plastics Education Research (PAPER) Foundation. Fund raising began for the Eminent Scholar, Endowed Research Chair at University of North Florida in Jacksonville.

Management News is becoming the best magazine in our industry. It began operation only ten months ago and will be expanding this year.

The PAPER Foundation fund raising stands at $800,000 as of this writing. I hope you will familiarize yourself with the Foundation's purpose and recognize the merit it holds for us all. Make a contribution today to help us reach our $1,000,000 goal in 1985.

We asked members to review the amount of dues they will pay us this year and determine if an adjustment is in order. In a period of inflation as we went through recently, it is always difficult for associations and other non-profit organizations to have their income keep pace with rising costs. In our respective businesses, we do so by raising our selling prices. To be successful and carry out the Association programs, we need a constant dues stream and each and every member, big and small.

Our budget will be tighter this year and perhaps for the next few years. The underlying reason is our investing in the long-term future of our industry. We believe we are responding to the majority of our members' wishes and that we will all benefit from this.

I extend my gratitude to our conscientious staff and to the many volunteer leaders from our industry who serve on committees and on the board of directors. It takes a lot of hours on the part of many people to make all Association activities happen. This next year appears to be another good year for our economy, our respective companies, and I'm glad to say, for the National Paper Trade Association.

Frank J. Viegas

Frank J. Viegas, NPTA Chairman

The Division is guided by a committee composed of industrial paper industry leaders who meet twice a year to formulate projects and programs pertinent to the needs of industrial merchants.

During the 1984 NPTA Convention and Exposition, the Division provided two important and well attended seminars on "New Frontiers in Industrial Paper Distribution." These seminars gave merchants even more reason for continued participation because of the vital information shared at these meetings.

In the coming year, the Division will be providing an important report featuring the results of a sales compensation survey, a new "Product Specific" seminar, and during the 1985 NPTA Convention, the second installment of the "New Frontiers in Industrial Paper Distribution" seminars will be held.

The Industrial Paper Division will also continue its work in the area of improving relations among merchants and suppliers. A council will be formed to aid the industry. They will meet to discuss mutual problems and the solutions to those problems.

COMMUNICATIONS

The Association's work in the communications area has centered on providing member firms with useful information. The primary means during the past year has been through the *NPTA Management News* (MN) magazine.

One year ago, *MN* was a 16 page newsletter and in August, 1984, it became the industry's newest magazine averaging 28 pages per month. As a communication vehicle, it provides members with a great deal of information; more in-depth information than ever before. Material on trends in the industry, computerization, compensation, education, industry statistics and more appeared in the pages of *MN* in the past year.

In addition, thousands of publications were provided to the membership in the form of books, brochures, and other materials. The communications efforts of NPTA have grown during 1984. The year ahead should see the continuation of that trend.

RESEARCH

The past year saw substantial growth in services and continued refinement of existing programs in the research and statistics area. The Association's newly installed Qantel computer system will have a pervasive affect on the way reports are produced and will lead to increased efficiencies, accuracy and new capabilities.

The PAR (Performance Analysis Report) program was strengthened by the development of a new "Short PAR" questionnaire and report, and restructured NPTA regions. The Short PAR will allow small merchants with limited staff and time to participate more easily, thus augmenting the entire database. The regular PAR questionnaire was revised in several key sections. All indications point to greater ease of participation by the membership resulting in a greater number of merchants comprising this year's database.

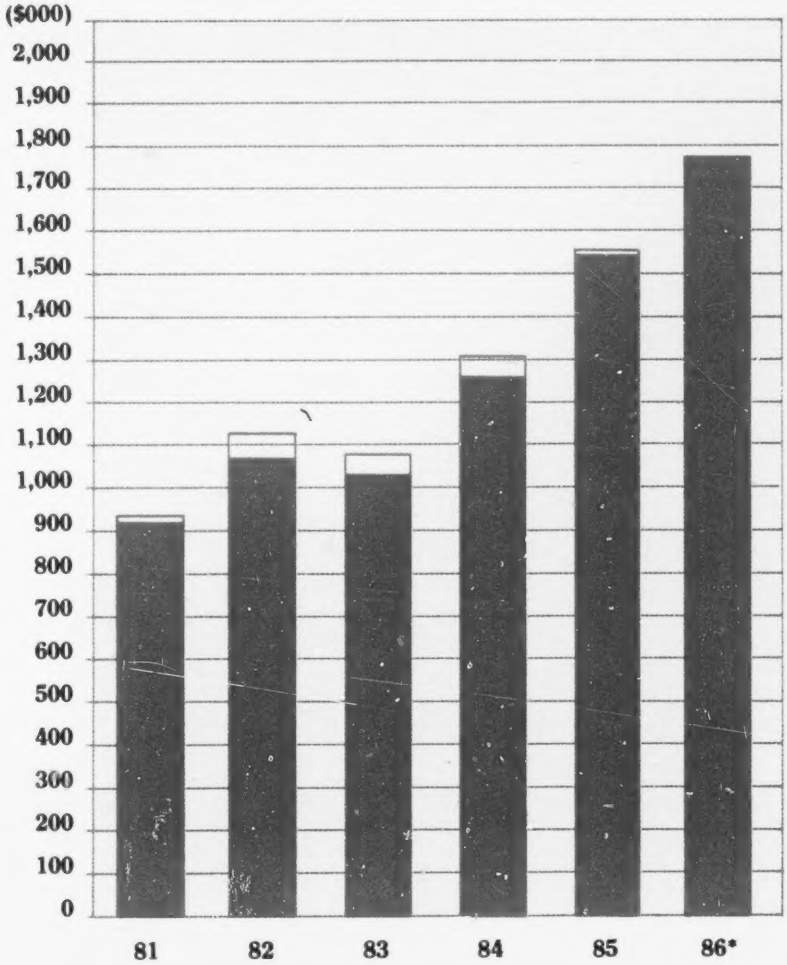
The Paper Merchant Sales Report is slated for in-house production by this summer. During FY 1985, NPTA software requirements have been developed and programs are now being written. Transfer of data processing from a service bureau to NPTA will improve accuracy and reliability of the report, since the new system will provide enhanced capability for analyses and validity control checks.

During September, 1984 the Management Information Committee endorsed development of a totally new Quarterly Business Conditions Report (QBCR), based on enthusiastic response to earlier member surveys. Formats of the reporting form and member report were finalized, and work began on software needed to produce the report in-house. The QBCR will essentially be a "mini-PAR" that tracks 10 key financial ratios every three months.

Also, a new monthly industrial Towel & Tissue Inventory Survey and report has been instituted. Beginning January, 1985, a panel of nearly 100 paper merchants nationwide started filing monthly forms. The first report was mailed in mid-March and the NPTA continues to work with the American Paper Institute to refine it and recruit more participants. The project is still experimental, based on member support.

Finally, member requests for information and market research continued to flow to NPTA. The nearly 100 separate member projects completed during the year covered a wide range of topics: recommending sources of supply for specific papers, computerization assistance (definition of user groups, software availability and recommendations), new warehouse layout guidelines, estimated current market potential (industrial/printing paper, janitorial supplies, party goods, retail packaging, etc.), retrieving historical and current PAR and sales report statistics on sales, profitability, and inventory activity, starting cash & carry or export businesses, sales compensation plans/industry norms, and technical questions related to paper. These requests were routinely handled by the Research Department.

NPTA INCOME AND EXPENSES
6 Year Trend



* = Projected; □ = Amount of Income Over Expenses; *See table for detail.*

NPTA INCOME AND EXPENSES
($000)
FY Ending 2/28/85

	1981	1982	1983	1984	1985	Projected 1986
Total Income	938.4	1,115.5	1,084.9	1,305.5	1,569.1	1,782.5
Total Expenses	917.3	1,056.2	1,007.2	1,257.6	1,562.1	1,781.0

EDUCATION AND TRAINING

The Education and Training Department has witnessed a great deal of growth during the last fiscal year. The department reported that membership awareness of NPTA-sponsored

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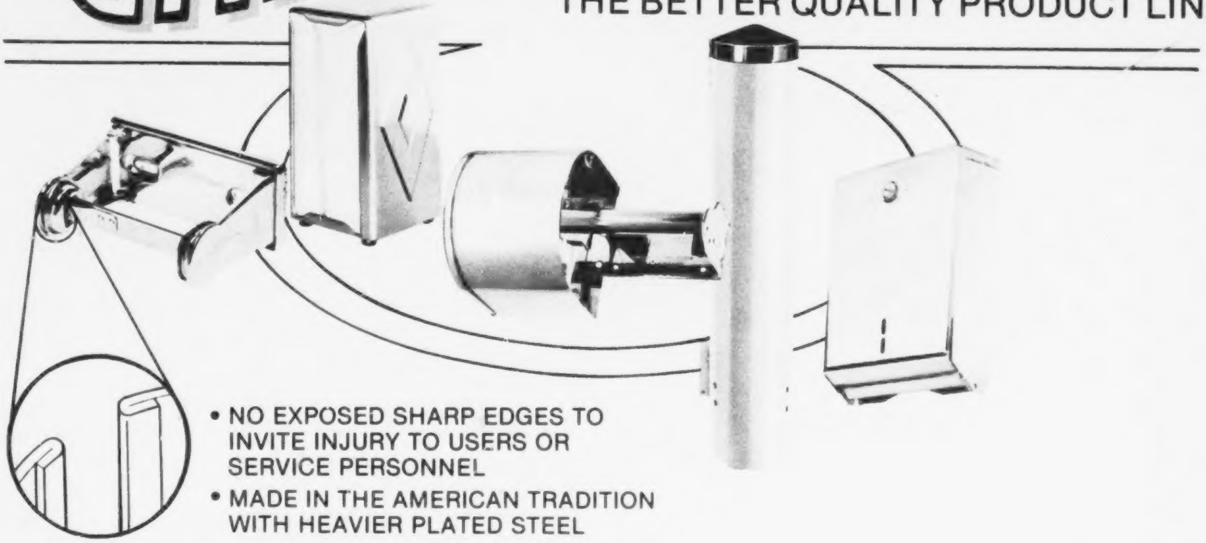

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programs, along with the Department's role as a clearing-house for training material and information, has grown substantially.

The Association's education and training effort has focused on three types of programming: seminars, sales training and in-house audio-visual training.

During fiscal 1983-84, 321 merchants attended Association sponsored seminars; this grew to 636 in FY 1984-85—a 98% increase. Also, during fiscal 1983-84, 139 companies attended seminars; this grew to 243 in fiscal 1984-85.

New to this programming is the two-week Management Development program held at Miami University, Oxford, Ohio and the week-long printing technology program—Printech Week—at Rochester Institute of Technology.

NPTA members have continued to use the Professional Selling Skills program for in-house sales training provided by the Association. With the assistance of an NPTA trainer, the program was conducted for the first time on location, at a number of member firms.

As a clearinghouse for material and information, the department has developed a network of trainers and managers involved in the training process: 187 firms participated. This "network" is a specialized service to all members who request it.

MEMBERSHIP

FY '84-'85 was one of the best years in NPTA membership history with 49 new members joining who will account for over $36,000 in new dues in FY '85-'86. These include two new international members from Mexico and Puerto Rico. As a result of this past year's trial member program, nearly 20 new members have already joined the Association with an additional 10 expected to join!

During the past year, NPTA membership services have grown dramatically with the emergence of our new *MN* magazine, university programs, additional seminars, new and improved financial reports and a host of other services that make it imperative for merchants to get involved.

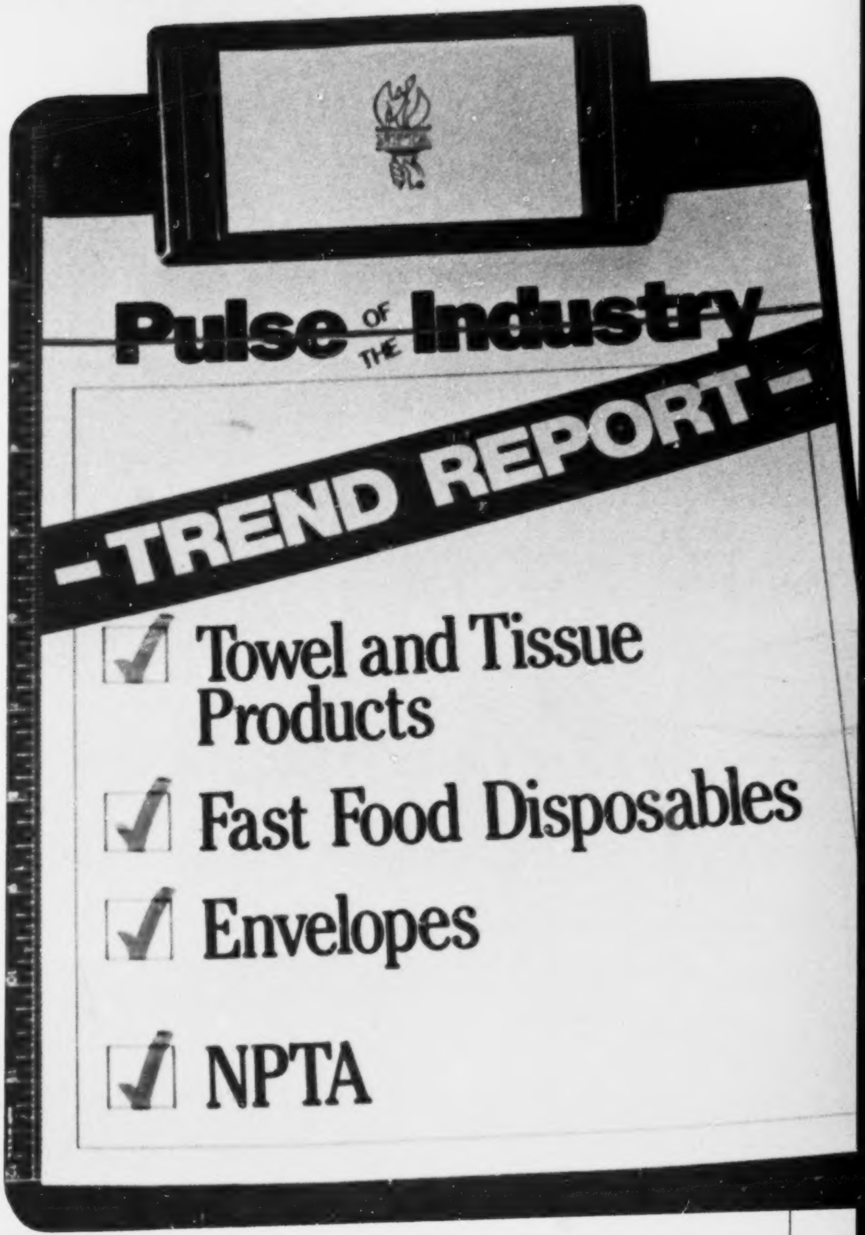
Plans for both new member recruitment programs and additional membership services are already in progress. In the coming year, NPTA's newly formed Membership Committee will aid the Association in locating new member prospects and informing them of the benefits NPTA provides.

NPTA will also increase member contact with an outreach program of visitation from NPTA staff to learn more about member needs. All-in-all, FY '85-'86 promises to be another important year for the Association in meeting members' needs and adding new faces to our family.

PULSE OF THE INDUSTRY

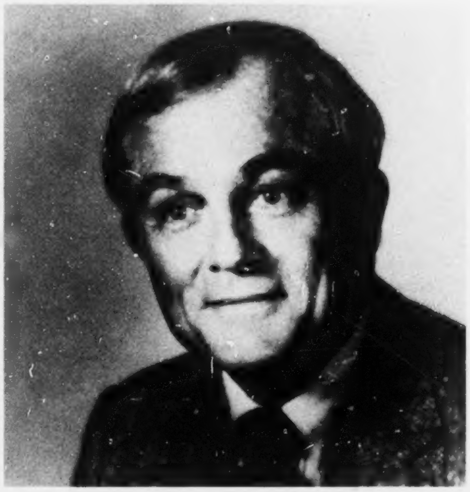
Trend Reports. *In order to keep marketing and sales people up-to-date on the great many changes taking place in paper and allied products distribution,* **Management News** *magazine will contain "Pulse of the Industry" reports periodically. These reports are designed to give readers the perspective of key suppliers. The reports should aid those in management and sales to better understand the changes in the marketplace as well as the challenges and opportunities ahead in the market and product segments addressed.*

When **MN** *reports again on the "Pulse of the Industry," other market segments will be included. In the course of a year, it is hoped that a great variety of markets and strategies will be reviewed.*



DISPOSABLES - A NICHE FOR PROFIT GROWTH

By R.E. Slotter
Vice President, Sales Operations,
Dixie/Marathon



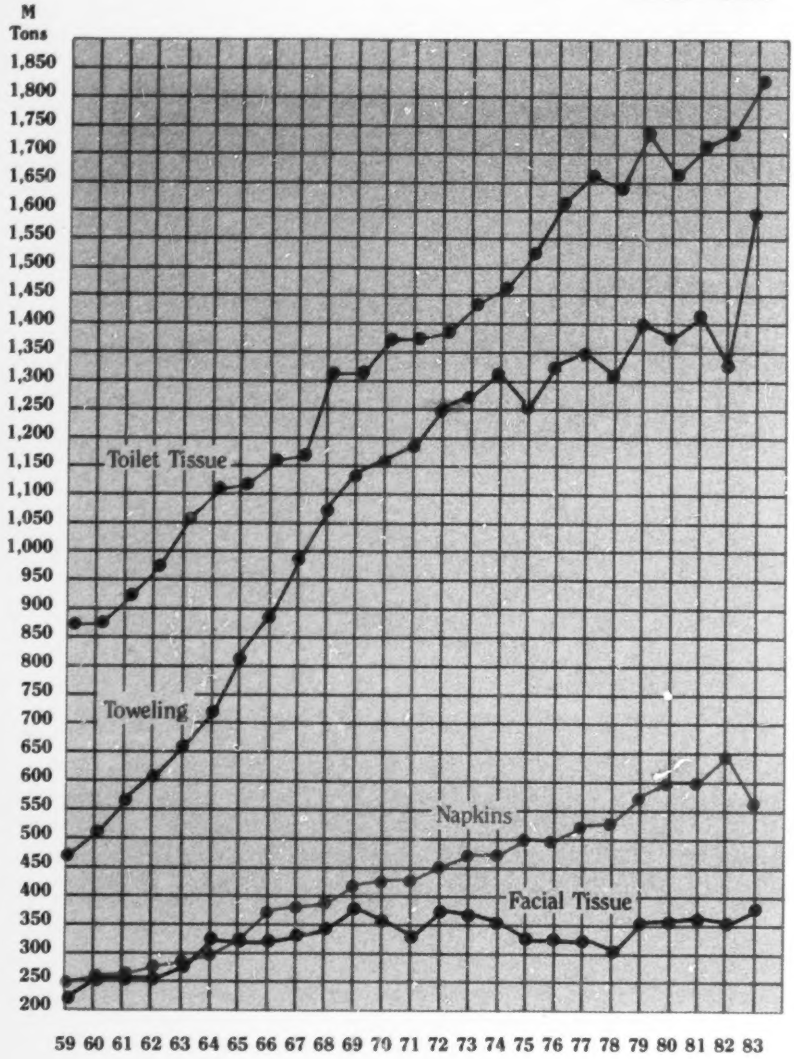
In the months ahead, the real challenge for improved profitability will be to find niches in markets, product categories, and in internal operations where better than average growth and profit opportunities can be had. Disposables can lead you to several profitable niche opportunities in the foodservice and industrial markets.

TOP GROWTH SEGMENTS
(Real Growth)

Foodservice Industry	**3.0%**
Convenience Stores	7.9%
Fast Foods	4.1%
Business and Industry	3.5%

Source: Cahners Bureau of Foodservice Research 1985 Foodservice Forecast

Tissue Paper Shipments 1959-1983



Source: American Paper Institute

The Foodservice Market

Within this market there is opportunity for above average growth and profitability in segments, type of service, and product categories.

While the foodservice industry, overall, is growing at an annual rate of 3%, there are segments growing much faster. Capitalizing on the full potential of these segments can produce profitable growth.

Foodservice in convenience stores will continue to be a rapidly growing market. According to the Industry Report by *Convenience Store News*, fast foods have the highest gross margin of any product category sold by convenience stores and products with the fastest growth are chicken, hot dogs, fountain drinks, and Mexican foods. This market segment is virtually 100% disposables for foodservice, with most food carried away from the store. This is a market niche worthy of development and with potential far above average growth for a broad line of foodservice disposables.

Fast foods will continue to grow faster than the industry. This segment is highly disposables-intensive and has moved to capitalize on the trend to more carryout and menu expansion to meet customer demand. These factors have created the need (and sales opportunity) for a broad line of upscale foodservice disposables.

Business and Industry - Employee feeding in offices and plants, health care, schools and colleges, foodservice, etc. is becoming more competitive, more marketing and merchandising oriented, and more disposables-intensive appealing to changing customer tastes and preferences. The key for building disposables business in this segment is account penetration with a broad disposables line and merchandising programs to build employee participation.

Within the franchise segment there are product categories that will outpace industry growth.

TOP FIVE GROWTH PRODUCT CATEGORIES
(Real Growth)

Total Franchise Segment	9.0%
Ice Cream	14.5%
Chicken	13.7%
Pizza	11.2%
Seafood	11.2%
Mexican Food	11.1%

Source: National Restaurant Association. Adjusted for 5.0% inflation.

Franchise operators now control almost half of the commercial foodservice market and are outpacing independent operators. This market segment is a key to better than average growth with excellent new business potential for the product categories shown above. Again, take-out is one of the driving forces and opportunities for increased disposables sales.

TOWEL AND TISSUE PRODUCTS

Industry growth for these products is expected to be in the 3.0% to 3.5% range. Better than average growth can be expected from office buildings and health care facilities.

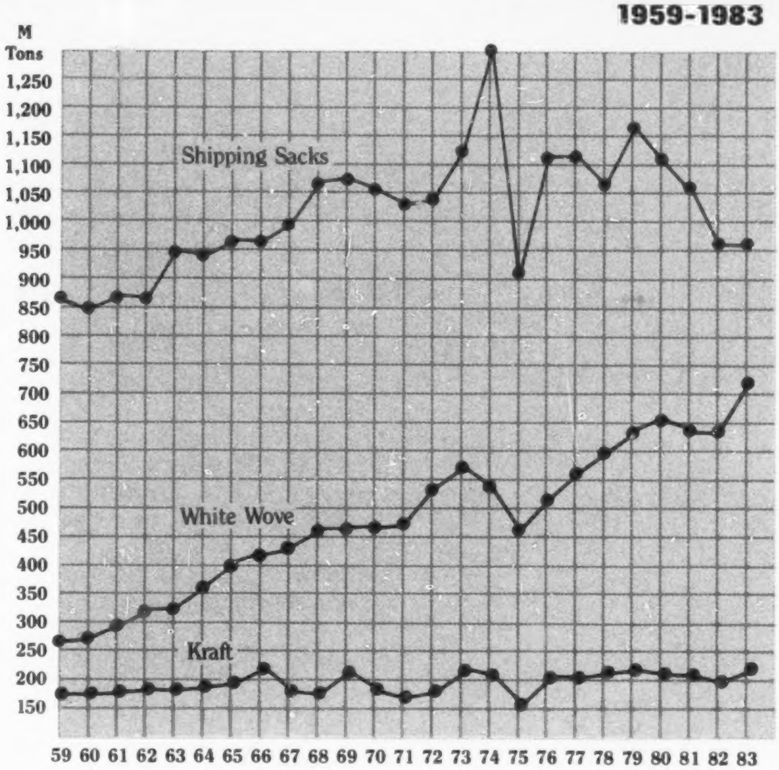
Office building expansion is estimated at over 200 million square feet for 1985. With the combination of more office space, and more women in the work force, there is an opportunity for increased sales with upgrading of quality. Top quality bleached folded towels will meet the need. Soft, strong towels with high absorbency and with quality dispensing systems will be the key to new business.

Health Care - Nursing homes, private care, and extended care facilities are all expanding to meet accelerating market demand. This increased demand is driven by the rapidly growing 65 and over age group. The industry has come of age and is in the process of upgrading facilities and care. Quality towels, tissue, and dispensing equipment tending toward "home quality" will gain share in this market segment.

In the manufacturing segment, a product area which also offers better than average growth potential is disposable wipes. As the cost of cloth wipes continues to increase, disposable wipes become a more acceptable alternative and an opportunity for improved account penetration with towels, tissue, and wipes for industrial accounts.

Long Term Profitability - New and profitable business is essential for a dynamic, healthy enterprise. However, an equally important opportunity and challenge is to hold and build profitable business. This is where the *value added* concept (as compared to price only) pays dividends. A test-proven design, a merchandising program, product quality or features that are unique or customized product development will contribute to the development of a relationship that goes beyond "price only" and that will help hold and build a profitable account and long term profitability.

Envelope Shipments
1959-1983



Note: Kraft = Brown & Bleached, Shipping Sacks = Unbleached & Bleached

Source: American Paper Institute

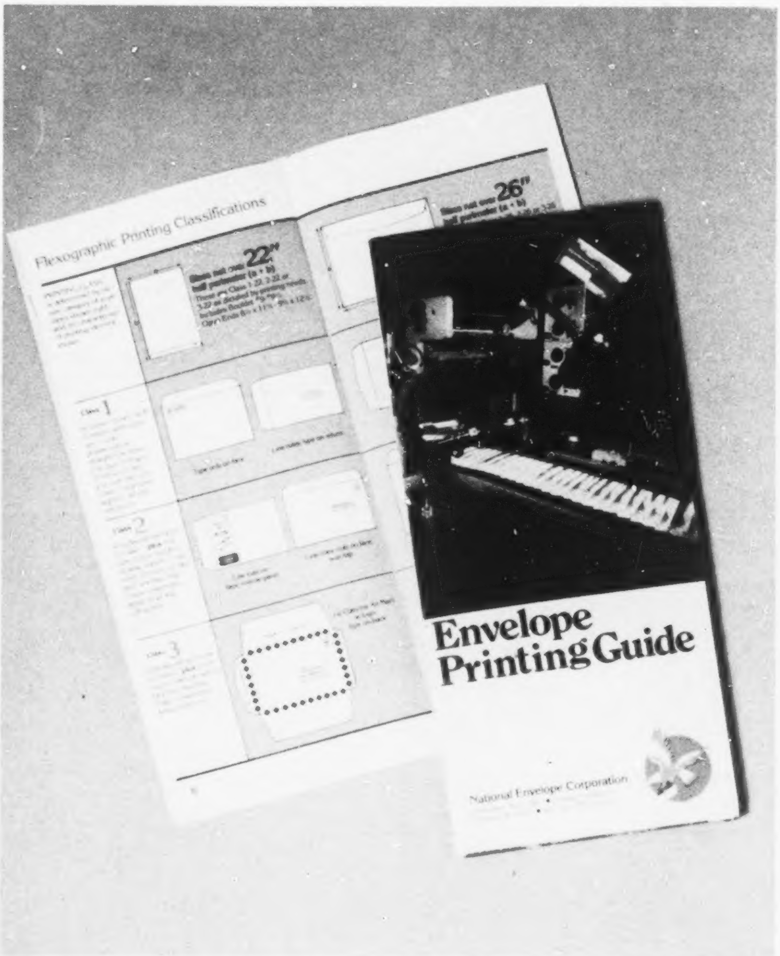
STEADY GROWTH FORECAST FOR ENVELOPE INDUSTRY

Stanley W. Carpenter

"As long as America's commitment to communication by mail continues, the envelope industry will continue to grow," maintains Stanley Carpenter, vice president of marketing for New York Envelope Group/National Envelope Group, who adds, "The outlook for 1985 is one of steady growth."

The envelope business is of interest to both printing paper merchants and industrial paper distributors. It seems that most merchants carry envelopes in some form. Shipments of envelopes have shown a steady increase over the past 25 years (see chart) and forecasts are for continued growth in this product segment.

The greatest growth has been seen in white wove envelopes and that trend is not expected to change. Envelope manufacturers are continually finding ways to attract more business while providing greater service to their merchant customers.


Flexographic Printing Classifications
22"
26"
Class 1
Class 2
Class 3
Envelope Printing Guide
National Envelope Corporation

New Envelope Printing Guide. *It is designed to help merchant sales people better understand both flexographic and offset printing and to recognize the profit potential the printed envelope offers.*

New York/National Envelope attributes its growth to that commitment to service. Carpenter points out that they are expanding that commitment this year. While Carpenter's company has always provided customers with printed envelopes, they are now adding flexographic and lithographic printing. "We have prepared a handy envelope printing guide for our customers to use when soliciting the volume printed order," says Carpenter. "Profitability increases for all of us by selling the printed order. It not only adds value but offers a greater opportunity for repeat business," he said.

Many envelope converting plants around the country are back ordered which insures increased activity at the present time. Business has been very good for the envelope industry. New York/National has been running three shifts.

During 1983, the envelope industry showed growth of 8.1% in volume and a 6.8% boost in revenues. These figures exceeded expectations by more then 30%. As of October, 1984 projections for 1985 were for a 9.1% growth in sales and a 18% increase in revenue.

All signs now bare out this trend. One of the best barometers of business activity is the U.S. Post Office—the largest handler of envelopes in the world. They are predicting a strong 1985. Last year postal authorities reported that 118 billion pieces of mail were carried by them. This year they see that number going up to 122 billion. This number includes 60 billion pieces of first class mail, 30 billion in second class and 30 billion in third class. To handle the ever increasing number of envelopes, the USPS has committed an additional $200 million for automatic scanners to the $200 million already allocated.

Says Carpenter, "Doomsday profits predicted the envelope industry would peak in 1977 and then begin a downward slide prompted by technical innovations such as electronic telecommunications. Yet the industry continues to grow."

MANAGEMENT NEWS ARTICLE INDEX

As a service to the readers of **Management News***, an index to all articles published in the past year are listed. This is the first time this is being done.*

Because this has not been done before, two years worth of articles are included here. The listing that follows contains 25 topic areas and indexes 124 articles. This issue of **MN** *should be kept as a resource. The index is a handy way of locating the needed material.*

If an **MN** *reader does not have the desired article listed below, all that he has to do is call the editorial offices of the magazine at 516-829-3070 and a copy will be sent at no charge. This reader service is just one of the many services provided by the National Paper Trade Association to its member firms and friends.*

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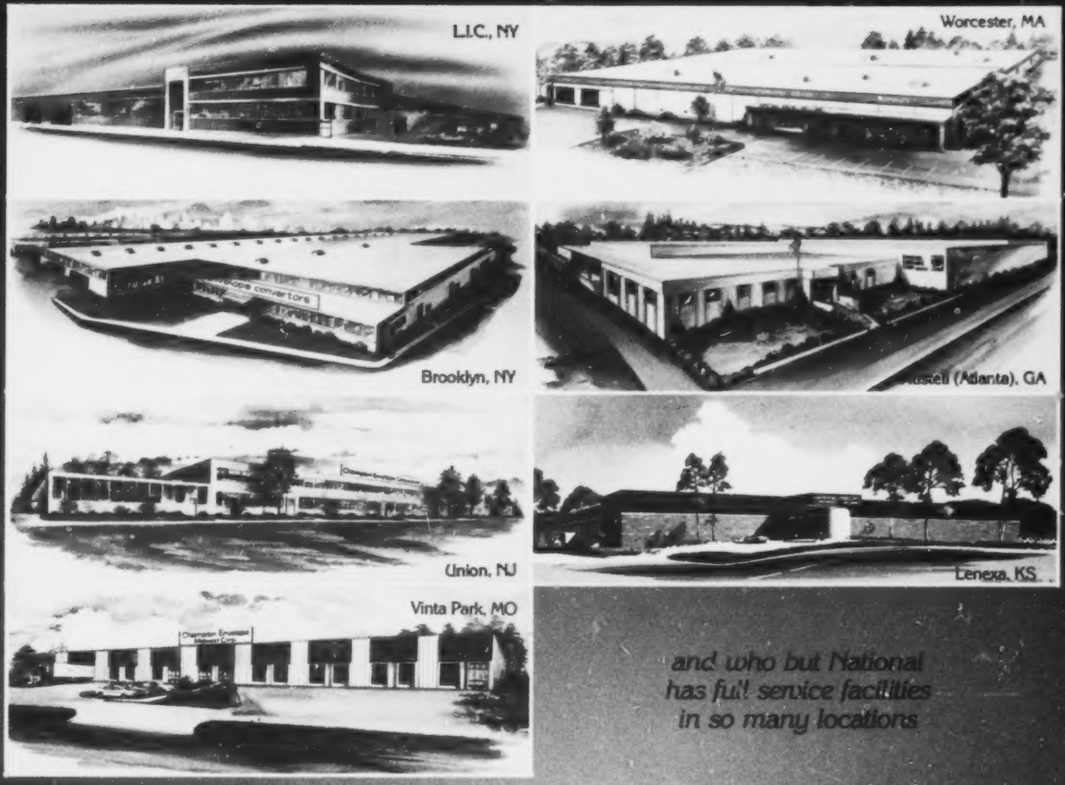
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NPTA MANAGEMENT NEWS

JUNE 1985

MN

All Registration Forms Inside

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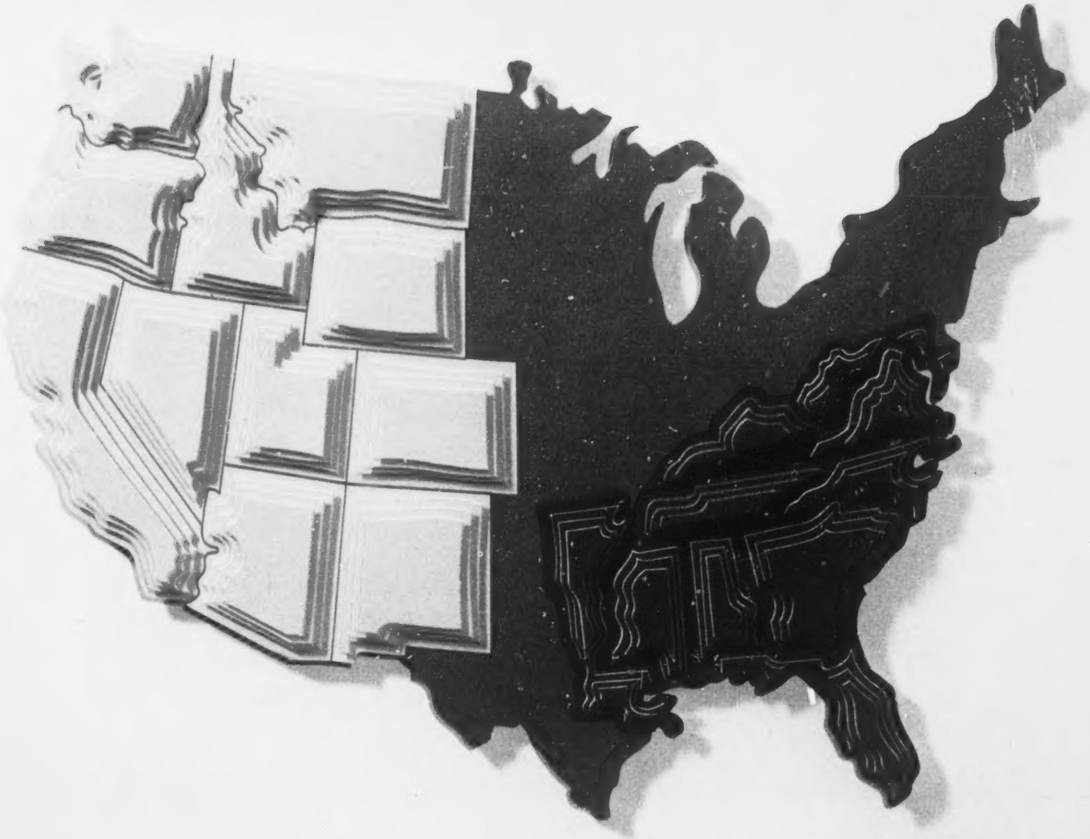

There is a new printing paper distribution group in the industry, one with **national-regionality**—the service orientation and responsiveness of a regional distributor backed by the resources and continuity of a national organization. It's new, and it's one hundred-and-fourteen years old. It's the Printing Paper Unit of the Zellerbach Paper Group, and it's steeped in the tradition of good service, integrity and value that is the Zellerbach name.

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Please address all inquires to the Editor. Original manuscripts and letters are welcome.

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All necessary registration information is enclosed. Paper merchants and suppliers should use these to plan their stay in New York. (No other forms will be sent.)

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Cover Photo Ben Asen

WWF EXPANDS IN THE SOUTH

WWF Paper Corporation will expand its Southeast Region with the creation of WWF-South. WWF-South, headed by Douglas W. Ivester, has been designed to unify and strengthen its marketing and distribution efforts in this region. In addition to WWF's current branches in Atlanta, Richmond, Greensboro and Charlotte, Ivester will now be responsible for The Paper House in Miami and WWF-Orlando/Tampa.

"The goal of this reorganization is to better utilize our two sheeting facilities, our pool truck systems and our key marketing programs to serve our current and prospective customers," said James. D. Duncan, executive vice president of WWF in Bala Cynwyd, PA.

CENTURY FINALIZES PURCHASE OF CARDINAL PAPER

Century Papers, Inc. has closed the previously announced purchase of 100% of the common stock of Cardinal Paper Company of Oklahoma City.

All of the Cardinal management, headed by Robert White, chairman of the board, and James Jackson, president, will continue with their prior duties and responsibilities.

Cardinal branches in San Antonio, TX, Jackson MI, and Albuquerque, NM, will continue to operate as in the past under the direction of Cardinal Oklahoma City management. Artex-Lane in Dallas, TX, a wholly owned subsidiary, will be merged into the existing Century Dallas Division.

Century Papers reported sales of $76 million for the fiscal year ended March 31, 1984 and Cardinal reported sales of $24 million for the fiscal year ended May 28, 1984.

Century Papers, Inc., a distributor of paper and allied sanitary maintenance products, has been operating 12 distribution centers and five retail stores in Texas, Arizona and Colorado, as well as the limited partnership, Paper Products Company Group, in Tennessee and Mississippi.

WILLMANN PAPER REASSIGNS EXECUTIVES

Willmann Paper Company marked its 107th anniversary of its founding recently with the announcement of six new appointments among its top executives. Willmann Paper is one of the oldest paper merchant firms serving the greater New York metropolitan area.

Irving Kapner, president and chief executive officer, has become chairman of the board in addition to remaining CEO. Succeeding Kapner as president is Robert Caliguire, formerly executive vice president and chief operating officer. He will continue as COO.

Rhoda Dubofsky has been promoted to executive vice president/general manager and assistant secretary. She was previously vice president/general manager. Alfred Kruger, former vice president and treasurer has been named senior vice president as well as continuing as treasurer.

Martin A. Frankel, vice president, has also become secretary and Jeffrey Friedberg has been promoted to vice president-director of purchasing. He was previously purchasing agent.

"Our new executive assignments reflect the continued prosperity and growth of our long-established paper merchant firm," Mr. Kapner said in regard to the reassignments. He also noted that the company's anniversary was "an unusual achievement for any business concern."

PAPER BAGS JOIN THE SEARCH FOR MISSING CHILDREN

Another campaign has begun to aid in the nationwide search for missing children—The Abducted Child Information and Safety Tips Bag Program. This is the use of paper grocery bags to print pertinent information about missing children and to offer safety tips to prevent abduction.

This new campaign has been launched by the International Paper Company and the National Child Safety Council (NCSC) and is the latest cooperative effort between the two organizations. They began a similar campaign earlier in the year using the side panels of ½ gallon milk cartons.

PAPER DISTRIBUTORS SEE INCREASE IN PAST DUE ACCOUNTS

In the closing quarter of 1984, paper distributors saw a significant decrease in the percentage of current accounts and an increase in past-due accounts, reported the Information Services Division of TRW, Inc. Compared to the same period a year before, current accounts have dropped by 4.2%. TRW prepared the following chart of the total percentages of accounts receivable for paper distributors.

		1983				1984			
Paper Distributors		**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**
	Current	38.6	47.2	37.1	69.6	40.5	67.4	73.5	65.4
Past Due	**1-30**	41.1	35.8	42.1	18.8	39.1	20.1	16.0	19.7
	31-60	11.1	9.5	11.1	5.9	11.7	7.0	5.9	8.0
	61-90	4.4	3.5	4.7	2.2	5.6	2.0	1.9	2.3
	91 +	4.9	4.1	5.1	3.5	3.1	3.5	2.7	4.6

NATIONAL PAPER TRADE ASSOCIATION, INC.

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1 · 9 · 8 · 5

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AND PAPER/PLASTICS AND ALLIED PRODUCTS
Exposition

October 5-8, 1985
New York Hilton-Sheraton Centre Hotels

Paper distributors from every state in the Union and 16 foreign countries will meet in New York for the major event of the year: NPTA's Annual Convention and Paper/Plastics and Allied Products Exposition.

Plan on being there for important workshops and seminars, a chance to meet the leaders of the industry, share ideas, and learn what's new on the market for paper distributors.

Expo '85 will feature paper, plastic and related products including health care disposables, retail and industrial packaging, food service items, sanitary supplies and equipment, non-wovens, foils, tapes, wraps and other specialties. Computer hardware and software designed specifically for paper distributors will also be displayed.

Don't miss NPTA's Convention and Expo '85—The Show, the Meetings, the Special Events...all waiting for you in New York!

Exposition Management:
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"We sincerely hope that the paper bag program will be effective in helping to identify and locate children who have been criminally abducted," said John A. Georges, president and chief executive officer of IP. More than 1.8 million children are reported missing every year. "Not all missing children are runaways, some just seem to vanish," noted Howard R. Wilkinson, president and founder of the NCSC.

The paper bags will contain a photograph of a missing child and important information on one side including a toll-free number to report sightings and additional information. Printed on the other side of the bag will be a list of safety tips advising children and parents how to avoid child abduction.

PENTAIR SELLS HURON DIVISION

Pentair, Inc. has recently announced the completion of the sale of its Huron Office Products subsidiary to Ampad Corporation of Holyoke, MA.

"Ampad purchased the entire Huron Office Products business with operations at Litchfield, KY and San Bernadino, CA," said D. Eugene Nugent, Pentair president and CEO.

Pentair, Inc., with 1984 sales of $545 million, now has six subsidiaries and nine manufacturing facilities producing paper, electric tools and machinery in the U.S., Brazil and Canada.

GP SELLS TIMBERLAND TO WEYERHAEUSER

Georgia-Pacific recently announced the sale of 134,000 acres of Douglas Fir timberland near Springfield, OR to Weyerhaeuser. Under the agreement of the sale, Weyerhaeuser has purchased 74,000 at approximately $350 dollars per acre and they will acquire the remainder of the timberland over the next three years.

"This sale is part of our on-going strategy to redeploy assets closer to stronger markets and the bulk of our manufacturing operations," said T. Marshall Hahn, Jr., chairman of the board and CEO of Georgia-Pacific. "The building product markets, particularly in the Northwest, have been adversely affected by the strong dollar, increased Canadian imports and escalating labor, freight and other costs," he added.

A ground breaking ceremony was held on April 11 for a 16,000 square foot addition of the manufacturing space to the Monadnock Paper Mills, Inc. plant in Bennington, New Hampshire. Present (l. to r.) were: Abdellatif Najib, Union Local #472 President; George Edwards, Ass't. Plant Engineer; Fred Baybutt, Project Manager; Roy Hackler, Vice-President of Baybutt Construction Corporation, the Designer/Construction Manager for the expansion; Richard Verney, Chief Executive Officer of Monadnock Paper Mills, Inc.; Dr. Louis Busche, President of Monadnock Paper Mills, Inc.; John Baybutt, Construction Supervisor; Christopher Kordes, Union Vice-President. Monadnock Paper Mills, Inc. is a specialty mill producing a unique combination of premium Text and Cover printing papers and highly specialized Technical papers.

HAMMERMILL TO PURCHASE NICOLET

Hammermill Paper Company announced that it has reached an agreement in principle with Philip Morris Incorporated to purchase, for cash, Nicolet Paper Company of DePere, WI. The final purchase is subject to approval by the Hammermill and Philip Morris Boards of Directors.

Hammermill President Donald S. Leslie, Jr., said "Nicolet's products will be a valuable addition to the current diverse products of Hammermill's Industrial and Packaging Papers business group."

COMET ANNOUNCES CHANGE IN OFFICERS AND FORMATION OF NEW SUBSIDIARY

Comet Products Inc., Chelmsford, MA, the world's largest manufacturer of injection-molded food and beverage service disposables, recently announced reorganization and officer changes. The new president of Comet is Dominic J. DiSalvo and the executive vice-president is Gary Seligson. New officers are vice-president of Foodservice Sales - A. David Eklund, and vice-president of Finance - Stephen Morehouse. Former president Joseph P. Solomon is remaining with the company as a consultant.

Comet Products Inc., also announced the formation of a subsidiary company, Distribution Concepts Unlimited. Vice-president of DCU, David Gordon, says the company will provide consulting and brokerage services to the transportation and distribution industries.

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Exclusive Convention Information

The only publication that will publish the complete, official schedule of events, exhibitor and suite information on Convention Saturday. With this issue we will reduce the fragmented, confusing and often incorrect information that has in the past been provided by nine different convention publications. There is now no need to duplicate your efforts when there is ONE publication that carries the most up-to-date, comprehensive and official convention information.

Exclusive Product & Supplier Directories

The only publication that will provide directories of both exhibitors and registered manufacturers' product descriptions, firm names, addresses, phone numbers, key personnel and personnel who will be on site. These directories will assure the use of this publication *long after* the Convention is over as a convenient reference guide to the key suppliers in our industry!

Comprehensive Supplier Information

The most up-to-date and complete exhibitor and suite location information will be found in the "Supplier Locator" section of *MN's Official Guide*. Included will be arrival and departure dates, exposition floor plan and booth listings, *ALL* supplier convention press releases and special announcements. *ALL* of this valuable information will reach attendees *earlier* than any other publications so that schedules can be planned most efficiently. No more spending time searching for suppliers who aren't there by paper merchant attendees.

This one's the best idea we've had in over 80 years!

Invaluable Marketing Tool

This year's inaugural edition of MN's Official Convention and Exposition Guide will combine a monthly magazine, a Convention Daily as well as an invaluable buying and marketing reference guide of key industry suppliers. It will be a much more powerful publication than all others *combined*. In addition, *MN* will also provide a "READER SERVICE CARD," so that you can enjoy direct responses to *your ad* after your return from the Convention.

Streamlined Information Process

NPTA now has an easier, more effective information system to aid suppliers in providing Convention information to the industry.

Because of our new computerized supplier pre-registration system, NPTA will already possess: arrival and departure dates, personnel information, booth and suite locations and product information that will be used in the *Official Guide*. WHY bother going through the process again on-site for other non-official convention publications?

Extensive Distribution

No other publication will speed your advertising message to as many readers as will *MN's Official Guide*. MN will be distributed to *all* ATTENDEES' DOORS (Saturday), to *all* attendees as they register, to their home offices, *and* to subscribers who are unable to attend the Convention! Total circulation of this issue will be over *10,000* copies! *MN* will also issue updates (delivered to doors) on both Sunday and Monday of all newly arrived registered manufacturer and exhibitor hospitality suite locations! *MN* will be distributed through the registration desks on Saturday, Sunday, Monday and Tuesday! Your ad can now reach the entire industry with one insertion!

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Don't miss this opportunity to reach your most important audience at the most cost efficient and convenient way! Now there is no need to create, at high cost, a brand new special-sized ad that can be used but once. Now there is no need to create special-sized inserts and enclosures also at great expense. Because of the "regular" size of the *Official Guide* you can create, or use your regular size ads. Inserts will also be accepted. The full-page price is unquestionably the best value in the industry as well!

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Official Guide

To place your insertion order or for further information simply contact:

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Richard J. Lerman, MN Advertising Director
NPTA, 111 Great Neck Road, Great Neck, NY 11021
(516) 829-3070

Closing date for *MN's Official Guide to the 1985 NPTA Convention & Exposition is: AUGUST 15, 1985*

PAPER CUPS PROMOTE RESPONSIBLE DRINKING

In an attempt to aid in the fight against drunk driving, Sportservice Inc., a food and beverage supplier of major stadiums and ballparks, arenas and other entertainment centers, has developed their new "Drink Responsibility" campaign. "Drink Responsibility" features specially marked beer cups that will be manufactured and supplied in several sizes and colors by Fonda.

The beer cups will carry the slogan: "Drink Responsibly. Sobriety is no accident," as well as the Sportservice logo.

"The program is designed as a continuing reminder to the individual sports fan of the obligation to be responsible for one's own conduct in public places," said Steve Kulyk, Fonda's national accounts manager. "Sportservice posters and counter cards reinforce the reminder that overindulgence has costly consequences for the individual as well as others. We are pleased to be associated with the campaign as the supplier of the cups."

Sportservice, a subsidiary of Delaware North Companies, Inc., is headquartered in Buffalo, NY and provides food and beverage service for over 51 places in 21 states.

The Fonda Group, Inc., a leading manufacturer of standard and private label disposable paper cups, also produces disposable paper plates, napkins, food pails, bowls and trays.

PHILADELPHIA GROUP NOW LED BY BARRETT

The Paper Trade Association of Philadelphia held its 81st annual banquet at the Hershey Hotel in Philadelphia on February 13, 1985. At the event, PTA president, Sol Hyman handed down his position to Jim Barrett, president of Killhour-Commercial Paper Company in Philadelphia. In his address, president Hyman said he was confident that under Barrett's new administration, PTA will continue to have the ideals and goals that will keep it the vibrant, vital and viable organization that it has been since 1904. NPTA president John J. Buckley, Jr. was on hand to greet the members of the group.

WASTE PAPER COLLECTION RISES

The collection rate of waste paper rose to 27% in 1984, making the recovery total 20.6 million tons, the American Paper Institute recently reported in *Paper Age*. In addition, 3.2 million tons of waste paper were exported to other countries, an increase of 25% over 1983.

According to J. Rodney Edwards, vice president, paperboard group, of API, "this is an outstanding achievement by the collection industry in the U.S., demonstrating how effectively supply and demand are balanced in a free market system."

The collection of old newspapers also increased 400,000 tons over 1983, a collection rate of 29%. In addition, old corrugated container collections increased by one million tons to a total of 9.4 million tons and collections of mixed and high grade papers also went up. Mixed papers increased by over 300,000 tons.

The U.S. consumption of waste paper in January, 1985 was 2.3% over last January, reflecting a continued strong demand for waste paper. This demand is expected for the remainder of the year.

PEOPLE IN THE NEWS

Harvey S. Glanzrock has been appointed vice president of Century Papers, Inc. in Houston, TX.

Jim Kimmitt has been named manager of Inlander-Steindler Paper Company's Elk Grove Village, IL branch.

George J. Longobardi has been promoted to vice president-sales of Paper Plus Inc., in Port Reading, NJ.

Don Runyan has become national sales manager-merchant sales of Canover Industries, Maspeth, NY.

John E. Rountree has been elected chief executive officer and **Robert G. Walsh** has become corporate merchandising director of Carr Paper Company, Pomona, CA. **J. Michael Lease** has been named vice president and branch manager of the company's El Centro Division. **Don E. Dial** has been appointed vice president and branch manager of the Indio Division.

Samuel I. Antupit has been appointed president of Cartonal U.S.A., a subsidiary of Holzstoff Ltd. of Basel, Switzerland. Cartonal is located in Lake Success, NY.

James W. Franklin has been named product manager-printing paper division of Georgia-Pacific Corporation.

Janet M. Makrauer, president and treasurer of Amko Plastics Inc., has been named "Ohio Small Business Person of the Year" by the U.S. Small Business Administration. In addition, **Jim Baker** has been promoted to vice president-sales of the company.

Ken Mullenax has become director of sales for the International Envelope Company.

James A. Behan has been named marketing manager-international sales, marketing services and administration of International Paper Company, White Papers Group. **Morgan J. O'Brien** has been appointed marketing manager-bristols of the Group. **Thomas G. Derouin** has become national sales manager and **George G. Chandler** has been named manager-converting papers of the company. Also, **Steven Van Voorhis** has been appointed product manager and **Michael J. Degnan** has become product supervisor of the company's business forms papers group.

A. Kurt Renick has been elected controller and **L.H. Rogero** has been named assistant controller of the Mead Corporation. Also, **James R. Samartini** has been elected chief financial officer of the corporation.

Louis R. Busche has been elected president and chief operating officer of Monadnock Paper Mills, Inc.

Correction

In the March, 1985 issue of *MN* magazine, the tables on page 11 and the chart of page 12 gives data on imported paper in millions of tons. The information shown should had read thousands of tons.

SUCCESSFUL TRAINING: A HOW TO

Because the major investment of a paper distributorship is its people, training is a powerful tool. The job of the sales manager or other individual responsible for training is to act as an "interventionist" and to integrate training into the organization. But, first, a knowledge of the organization's problems and objectives is essential. The company trainer has to wear two hats—a business hat to ensure maximum growth of his employees, and a training expert's hat. The more training supports organizational goals and tackles problem issues, the more successful it will be.

To ensure that training has an impact on knowledge and skill development, the company must address these questions:

- Do employees have a positive attitude towards their tasks? Do they want to do a good job?
- Do people know what is expected of them? Do they understand the job design and the standards involved? Are those standards achievable?
- Do employees receive feedback from their managers on how they are doing?

Once the training need has been determined, the individual responsible for training must be equipped with the tools necessary to address the diverse needs of his employees.

To meet the demanding requirements of his employees and to ensure guaranteed professional growth, the trainer must be an effective teacher, public speaker and quasi-psychologist. He must possess the five "musts" of training. This list was developed by Michael Petty, director of instruction for the Indiana Vocational Technical College in Evansville. The list of "musts" are neither comprehensive nor very sophisticated, but Mr. Petty suggests that they be used as a training credo, perhaps hung on a wall.

I. Training Must Support The Objectives Of The Organization

A needs assessment is the best way to determine where training can help. Sources to consider include:

- Performance appraisals
- Accounting/finance
- Quality standards
- Job descriptions
- Production reports
- Inventory, shipping/receiving records
- Accident reports
- New equipment, processes, systems
- Machine downtime reports
- Personnel records on skills
- Training files
- Complaints
- Formal contracts and agreements
- Policy and procedure manuals
- Legislation and laws
- Exit interview reports
- Tracking of new hires, promotions
- Mission statements
- Organization charts
- Planning documents
- Outside research

II. Training Must Help Improve Productivity

Job/task analysis will define human factors, materials and procedures for each job so that improvement areas can be identified. Questions to consider include:

- Who does what?
- Is it effective?
- Is it efficient?
- How is it done?
- Why is it done?
- Special knowledge required?
- Special skill required?
- What equipment materials are used?
- What information is necessary?
- What information is necessary?
- How are people selected for the job?
- What are the functional relationships?
- What level of quality is required?
- What quantity is needed?
- What is the fiscal accountability?

III. The Effects Of Training Must Be Measurable

Training must provide objectives for measuring improvements. They should include any improvement task, conditions that affect the task and some performance standards. The task might be to:

- Develop, maintain, select, format, prepare, organize, modify, trouble-shoot, fabricate, conduct, explain, interact.

Conditions could include:

- Using a ball-peen hammer, without job aids, under normal working conditions, following prescribed procedures, in coordination with, upon receipt of, in consultation with, upon cue.

Performance standards might include:

- 100% accuracy ± 2mm, dead center, proper sequence, in balance, 45 wpm, in accordance with EEOC, in a workman-like manner, on schedule, within budget.

IV. Training Must Be Delivered Competently

The better the trainer is at the following techniques, the better the message will take hold.

- Lecturing
- Questioning techniques
- Demonstration
- Conscious observation
- Facilitation of discussions, simulations
- Valid test construction
- AV design and usages
- Classroom, lab, materials management
- Record keeping
- Mentoring
- Learning and motivating
- Documenting content outlines
- Planning/time management
- Synthesizing
- Interpersonal skills
- Problem-solving and decision-making

V. Training Must Be Evaluated

Did the training accomplish its goals? To find out, evaluate the trainees' responses, impact on the job and costs of delivery.

Ask trainees:

- Content fit with expectations?
- Did it meet their needs?
- Was the setting appropriate?
- Did they think they had benefited?
- Was the trainer effective?

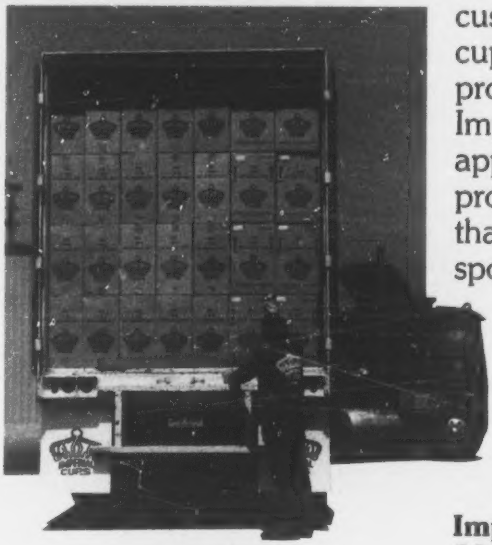
Did the training:

- Improve quality?
- Increase quantity/productivity?
- Reduce waste?
- Enhance relationships?
- Improve efficiency/effectiveness?
- Enlarge effort or initiative?
- Improve trainees' attitudes?

How much did it cost?

- Participants' wages
- Lost work time/work replacements
- Trainers' wages
- Materials and supplies
- Consultant fees
- Travel expenses
- Training facility overhead

Imperial Cup – the Uncommon Carrier



When you make the finest quality paper and plastic cups, you don't take chances on common carrier overages, shortages, damages and delays. That's why we have Imperial's own truck fleet to assure accurate on-time delivery, in cases that look like they just came off the production line.

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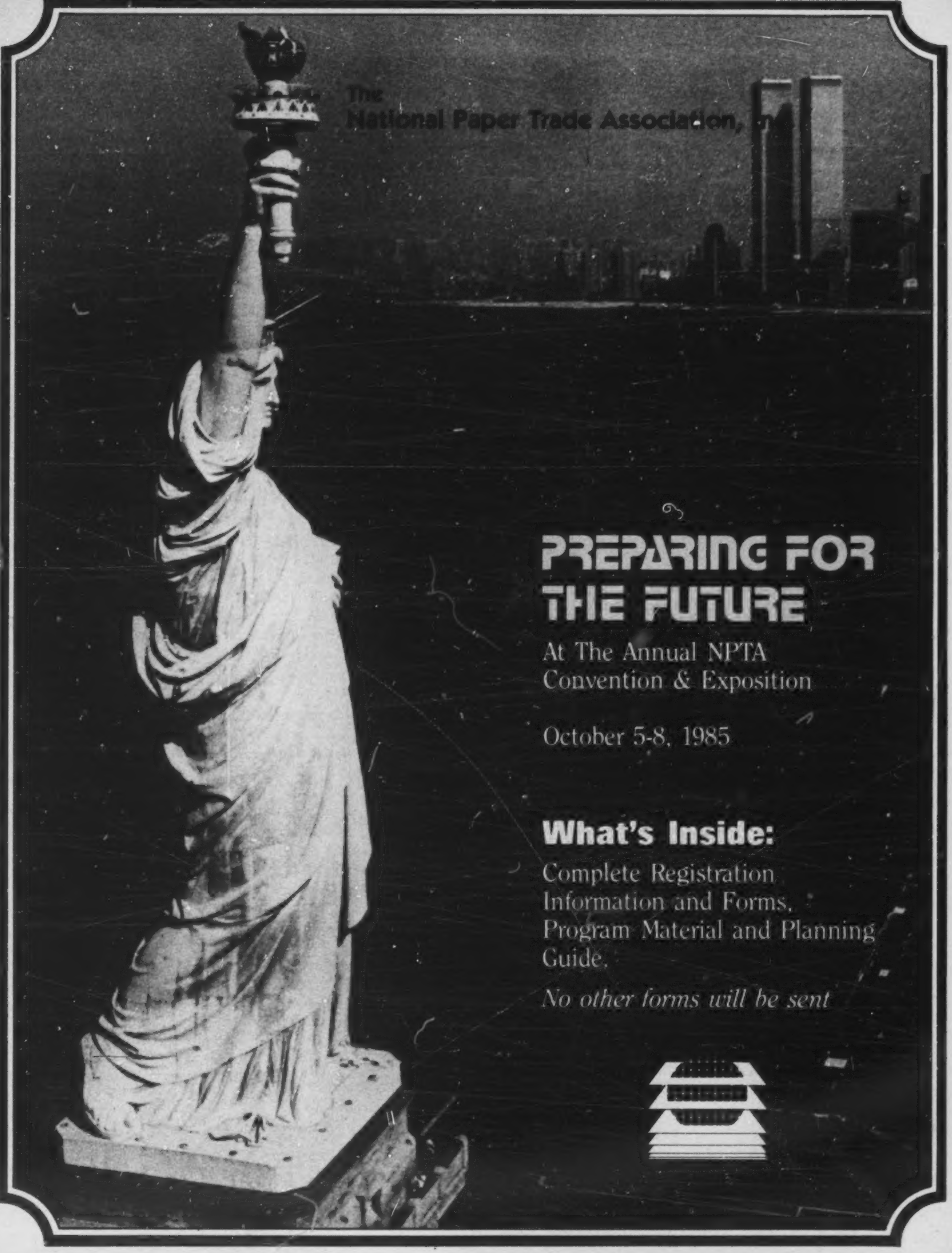


The
National Paper Trade Association, In

PREPARING FOR THE FUTURE

At The Annual NPTA
Convention & Exposition

October 5-8, 1985

What's Inside:

Complete Registration
Information and Forms,
Program Material and Planning
Guide.

No other forms will be sent

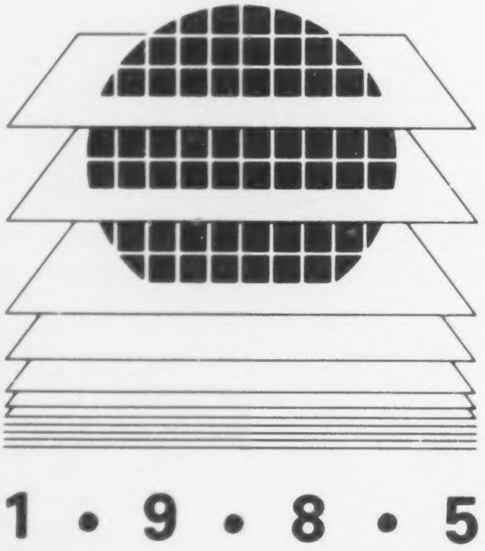
PREPARING FOR THE FUTURE: OCTOBER 5-8, 1985

The NPTA Annual Convention and Paper/Plastics & Allied Products Expo is coming to the Big Apple

"Always be prepared." The Boy Scouts of America have been telling us that for nearly a century. Is anyone listening? Business people should be and a visit to NPTA's Annual Convention and Exposition will explain why.

Preparation for the future requires three things: A firm grasp of the present, knowledge of the past and a keen sense of direction that leads to tomorrow. Merchants will attend this most important event to gain a better understanding of how these three elements work together to shape their future.

Knowledge of the past, specifically the past year, is studied at the Convention. Trends that have affected the paper, plastics and allied products distribution industry will be discussed at the Convention and on the floor of the Show. Merchants from every part of the country will be there to review the activities of the past year.



The 1985 Convention and Exposition Logo

The merchants attending will seek to strengthen their grip on the present at a variety of Convention sessions. They know that business is changing and they need more information about the changing industry of which they are a part.

The leaders of the paper distribution industry are those who have a keen sense of direction that is leading them into tomorrow. These are the people who feel quite at home in the future. The 1985 Annual Convention of the National Paper Trade Association brings the leaders together, shows them the products of tomorrow, lets them in on the changes ahead in both business management and commodities, and helps them clarify the affects technology will have on their business operation in the coming year.

Live in the future by preparing for it today. 6,000 people will find out that the best way to get moving in the right direction is by attending the 1985 NPTA Annual Convention & Exposition in New York City.

Convention Logo: A Changing Industry

"The 1985 Convention logo symbolizes the expanding paper distribution industry while addressing the impact technology is having on paper, plastics and allied products distribution," said Frank J. Viegas, NPTA Chairman of the Board. "The future must be met through careful preparation. Our industry is growing and merchants must prepare for tomorrow or be left behind," Viegas said.

The 1985 Convention logo shows an ever-increasing stack of papers reaching for the sun and so represents the growing use of paper products and the growing distribution industry. The sun is also illustrated as a computer chip; technology has had a great impact on both paper merchant operations and customer demand for paper products. "Computers have had a major impact on how we run our business and have actually fueled the demand for the products we sell and distribute," said Viegas. "As we focus on the future of our industry, we see that the challenges of growth and benefits of technology cannot be ignored. The 1985 NPTA Annual Convention is an important time for paper merchants and their suppliers to come together and prepare for the future."

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ANNUAL CONVENTION SCHEDULE OF MEETINGS

SATURDAY

Winning With People: 10:00 a.m. - 12:30 p.m.

This exhilarating, two and one-half hour presentation by Jack Carew deals with the quality of human relationships and clearly demonstrates the value of cooperation and teamwork, and is hosted by the Young Executives Forum of NPTA. *This session is open to all.*

Instantly, the audience will be involved in an exciting personal event that provides the critical awareness of how their attitudes and communication behaviors affect others.

They are then given the practical tools for behavior modification as it relates to the long-term relationship versus temporary arrangements.

Each participant will then focus on: the creative management of anger, stress reduction and positive coping, initiating new relationships, rebuilding broken relationships.

Next the audience is engaged in a practical, group problem-solving event requiring each team member to be a thoughtful, caring communicator. As the teams compete for honors and humorous prizes, each participant experiences the value of warm, sensitive communication and collaboration during this teambuilding adventure.

The entire experience is fun, exciting, involving, and non-threatening.

Young Executives Luncheon:
12:30 p.m. - 1:30 p.m.

This special luncheon for young executives is a time when up-and-coming managers can meet and share experiences. Tickets are required: $35.00 (Use Special Events Form to order tickets.)

Young Executives Forum Workshop:
1:30 p.m. - 2:30 p.m.

This workshop is open *only* to members of the NPTA Young Executives Forum. To join the YEF, contact NPTA at 516-829-3070.

Jack Carew

ANNUAL CONVENTION SCHEDULE/CONTINUED

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Mayor Ed Koch

D. Bruce Merrifield

Henry Kissinger

Customer Base Expansion: Improving Your Competitive Edge: 3:00 p.m. - 4:30 p.m.

This year the Industrial Paper Division of NPTA will present a session on "Customer Base Expansion: Improving Your Competitive Edge," the second in the New Frontiers in Industrial Paper Distribution series.

Discussed will be ways merchants can better market their company's services and products, through public relations activities, brochure development, promotional activities and client presentations. Customer expansion will be discussed both from the vantage point of new products to current customers and additional products to attract new customers. The objective is to make each customer and each delivery more profitable and cost effective. Research has shown that customers are buying products that paper merchants could very easily supply. This session will help merchants see the advantages of better merchandising of accounts and the additional product needs of current and prospective customers.

SUNDAY

General Business Session: 10:00 a.m. - 11:30 a.m.

This program is always a most informative session for Convention attendees. In addition to a well-known economist and keynote speaker, New York City's Mayor Ed Koch has been invited to welcome all to the NPTA Annual Convention and Exposition. Mayor Koch, a nationally known politician and leader, will greet paper merchants and suppliers from around the country and welcome them to the "Big Apple."

NPTA Annual Business Meeting:
11:30 a.m. - 12:00 Noon
NPTA Members Only

The Annual Business Meeting of the National Paper Trade Association is an opportunity for members to learn of the activities of the Association in the past year. It is also a time to help forge the direction the Association will take in the industry.

MONDAY

Continental Breakfast: 8:30 a.m. - 9:30 a.m.

The exhibitors at the 1985 Exposition invite all to a continental breakfast held on the floor of the Show. It is their way of saying "Thank You" to all of their friends in the paper distribution industry.

Implementing Successful Printing Paper Marketing Programs: 10:30 a.m. - 12:00 Noon

Most paper distributors have many of their past "new" products still in stock. How can the odds be increased when launching a new printing paper product line and cut down on potential cash traps? This presentation, by noted marketing expert D. Bruce Merrifield, identifies 10 marketing guidelines that will help merchants select products (new or old) that will fit the distributor's competitive strategy. It also reviews the process that will help maintain the promotional persistance and focus necessary to get the product line going.

The key benefits of Merrifield's approach are to select printing paper product lines that will yield the best return on invested time as well as inventory; to reduce future cash traps; and fit the scope of most productive customers and the company's style of business. This is a meeting of the Printing Paper Division of NPTA.

Preparing For The Future Reception:
12:00 Noon - 12:30 p.m.

As a prelude to the Chairman's Luncheon, this cash bar reception is an opportunity for all Convention attendees to meet and greet one another.

Chairman's Luncheon: 12:30 p.m. - 2:30 p.m.

The highlight of the 1985 Convention and Exposition will be the annual Chairman's Luncheon with proceeds going to support the Paper And Plastics Education Research (PAPER) Foundation. At this event, the Stanley O. Styles Industry Excellence Award will be given to an industry leader.

The keynote speaker for the event will be Henry Kissinger, former Secretary of State and internationally known statesman. His message about the role of the United States in foreign affairs will be valuable for all.

The Chairman's Luncheon is a very special event and Convention registrants are encouraged to purchase tickets early. Luncheon tickets will *not* be available on-site. Tickets are $75.00 each. $15.00 of each ticket represents a donation to the PAPER Foundation. Tables of 10 are $700. (Use the Special Events Order Form to order tickets.)

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Bob Arden (415) 951-5062

HENRY KISSINGER TO KEYNOTE AT CHAIRMAN'S LUNCHEON

Recipient of the Nobel Peace Prize and the Presidential Medal of Freedom

Dr. Kissinger has been praised as one of the most brilliant Secretaries of State in the history of the United States. His rare eloquence and wit have made him one of the most popular speakers—not only here in America, but throughout the world! A Secretary of State under two Presidents, he was also National Security Advisor for six years, and continues to be sought after for his expertise in foreign affairs—having most recently served as Chairman of the Bipartisan Commission on Central America.

Upon leaving the State Department, Dr. Kissinger accepted the positions of University Professor of Diplomacy at the School of Foreign Service and Counselor to the Center for Strategic and International Studies, both at Georgetown University. He is also a Director of the Foreign Policy Association, a Counselor of the Chase Manhattan Bank and a member of its International Advisory Committee, and a member of the Council on Foreign Relations. Among his other activities, he is Chairman of the Board of International House, Trustee of the Rockefeller Brothers Fund, Trustee of the Metropolitan Museum of Art, and Contributing Analyst for ABC News.

Among the awards Dr. Kissinger has received have been the Nobel Peace Prize in 1973 and the Presidential Medal of Freedom, this nation's highest civilian award, in 1977.

Dr. Kissinger was born in Fuerth, Germany, on May 27, 1923, came to the United States in 1938, and was naturalized a United States citizen on June 19, 1943. He served in the US Army from 1943 to 1946. He received a BA degree summa cum laude at Harvard College in 1950 and the MA and PhD degrees at Harvard University in 1952 and 1954.

From 1954 until 1969 he was a member of the faculty of Harvard University, both in the Department of Government and the Center for International Affairs. He was Director of the Harvard International Seminar from 1951 to 1969. He served as consultant to the White House during the Kennedy Administration and to the Department of State during the Johnson Administration.

Dr. Kissinger married the former Nancy Sharon Maginnes on March 30, 1974. He is the father of two children, Elizabeth and David, by a previous marriage.

Paper Merchant Retail Cash & Carry - A to Z: 2:30 p.m. - 4:00 p.m.

A look at the necessary ingredients to run a successful paper merchant retail operation. Among the subjects discussed will be store layout, advertising promotion and product selection. This is a program that should not be missed by anyone operating a store or interested in starting such an operation.

Peter Mullins

TUESDAY

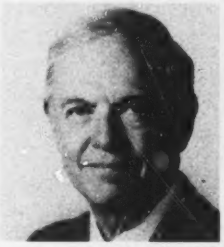
Managing Customer and Product Line Profitability: 9:00 a.m. - 11:00 a.m.

Dr. Peter Mullins, the nationally recognized financial management consultant, will present this "Management Conference" program for those who want to know how to manage the profitability of both customers and products more effectively. Dr. Mullins is presenting a series of full-day workshops for NPTA on this subject around the country. He will offer this special two hour session for those who may not have had the opportunity to participate in his day-long session.

This subject is vital for paper distributors and is targeted at top management. It will help Convention attendees focus on what the merchant should do to identify, inventory and deal with suppliers more effectively.

Establishing the Highest Value for Your Business: 9:00 a.m. - 11:00 a.m.

Those who own their companies know the importance of determining its value. The Geneva Corporation specializes in providing small to mid-size business owners with information and consultation about selling their businesses, determining value and planning the transfer of ownership within the family. Gerald G. Griffin, a corporate director of the Geneva Corporation, will make the presentation.



To determine the price of a business, a company's past and current financials must be recast to reflect the true, higher current value. And more importantly, future earnings and cash flow must be projected based on valid, objective market research. This presentation will give those attending good insight into what is important in this evaluation and how to go about it.

Management Roundtable: 9:00 a.m. - 11:00 a.m.

This part of the Annual Convention gives participants a chance to form discussion groups and share thoughts and concerns in a more formal way. Roundtable discussion groups have proven to be a generator of both new ideas and solutions to old problems. Those electing to be involved in the Management Roundtable will select the topic; NPTA will structure the session.

To avoid any conflicts of interest, competitors will not be seated at the same table. This means that those wishing to participate must pre-register with the NPTA headquarters office. (Use the Meeting Attendance Form.)

SPOUSES PLAN 'EXPERIENCE NY'

New York, The 'Big Apple,' holds some special experiences for Convention Spouses this year.

NEW AND NOTEABLE

Young Executives: This year the extensive young executives program has been moved to Saturday. The morning session is open to all, but the special luncheon and afternoon workshop require tickets. (See the Schedule of Events for details.)

General Business Session: This program moves to Sunday at 10:00 a.m.. An economist will be on-hand this year as well as a special keynote speaker. New York City's Mayor, Ed Koch, has been invited to welcome Convention goers to New York.

Chairman's Luncheon: This year the luncheon moves to Monday where the presentation of the Stanley O. Styles Industry Excellence Award will be made. The keynote speaker will be Henry Kissinger. (Tickets Required.)

Exhibits: A change in exhibit hours will bring Convention attendees to the Show on Monday morning from 8:30 a.m. - 12:30 p.m.. When the Show opens on Monday at 8:30 a.m., the exhibitors will host a continental breakfast on the floor of the show for all Convention registrants.

Management Conference Programs: Special management programs on Tuesday morning will include roundtable discussions for the first time. (See the Schedule of Events for details.)

It's going to be a long time before the NPTA Convention returns to one of the greatest cities on earth. This could be Convention spouses' last chance to see a few of the obvious sights and attractions that may have been overlooked during previous visits.

And, even if guests have been there before, all will agree they are worth seeing again, after all, it's going to be a long time...

SATURDAY, OCTOBER 5, 1985:
12:30 - 4:00 p.m.

Since many spouses will be checking into the hotel on Saturday morning, NPTA has scheduled a leisurely elegant luncheon at one of New York's finest hotels, the Sheraton Centre. After lunch, guests will stroll along the world famous glass canyons of Avenue of the Americas, past the headquarters of the media industry and other corporate giants. Then Convention spouses will proceed to one of the most unique experiences in town, "The New York Experience," a multisensory audio visual extravaganza that both dazzles and educates people about the story of "The Big Apple," past and present. It is an unforgettable experience that all guests will remember for a long time to come.

Cost: $37.00 per person

SUNDAY, OCTOBER 6, 1985:
12:00 Noon - 5:00 p.m.

The day will begin with a lovely tour in our motorcoach of the outdoor gardens of the New York Botanical Gardens. After these breath-taking views, it will be off to a lovely luncheon on the grounds and the gardens of the Snuff Mill Inn overlooking the river and a cascading waterfall.

After lunch, Convention spouses will take an hour-long tour of the Glass Conservatory containing thousands of exotic flowers, trees and plants. The professional guide will be an expert from the education department of the gardens and this special tour promises to be both interesting and informative. Included will be a visit to the excellent flower and gift shop on the premises.

On the way back, guests will tour the Upper West Side including the Cathedral of St. John the Divine, Grant's Tomb, Columbia University and an overlook of the Hudson River.

Cost: $43.00 per person

MONDAY, OCTOBER 7, 1985:
9:30 a.m .- 12:00 Noon

The morning will begin with a visit to the United Nations building where Convention spouses will be personally welcomed by a member of the United States delegation Committee and will be taken on a tour of the building, including the meeting rooms, the art works and exhibits. There will be an opportunity to visit the unusually lovely gift shop at the United Nations. If weather permits, guests can stroll through the grounds of the building. Then on to a bus for an exciting tour of Sutton Place and other east side points of interest.

Cost: $17.00 per person

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OFFICIAL HOTELS AND RATES FOR 1985 NPTA CONVENTION AND EXPOSITION

Room Rates are Confirmed on a Space Available Basis. Reserve Your Room Early.

HOTELS	ROOMS		SUITES			*ONE TIME CHARGE NON-EXHIBITOR SUPPLIER REGISTRATION FEE PAID TO NPTA
	Per Diem Rates SINGLE	Per Diem Rates DOUBLE	SUITE	NUMBER OF PEOPLE (for reception)	HOTEL SUITE RATES PER DIEM	
NEW YORK HILTON 1335 Avenue of the Americas	$125, $140, $150, $160	$150, $165, $175, $185	Parlor & one bdrm.	10	$325-$360	$500
			Parlor & two bdrms.	10	$435-$470	$500
			Major Suites	25-85	$490-$1760	$750
NEW YORK HILTON EXECUTIVE TOWERS 1335 Avenue of the Americas	$195	$195				
	39th floor - 44th floor					
SHERATON CENTRE Seventh Avenue at 52nd Street	$120, $135, $155	$140, $155, $175	Empire Parlor & one bdrm	8	$330	$500
			Governor Parlor & one bdrm.	12	$355	$500
			Skyline Parlor & one bdrm.	20	$430	$550
			**State Parlor & one bdrm.	23	$480	$550
SHERATON CENTRE TOWERS Seventh Avenue at 52nd Street	$200	$220				
	46th floor - 50th floor					
SHERATON CITY SQUIRE 790 Seventh Avenue at 52nd Street	$110, $120	$120, $135	Parlor & one bdrm.	12	$280-$380	$450
			Parlor & two bdrms.	12	$385-$485	$450
WARWICK 54th Street on Avenue of the Americas	$130, $140, $150	$145, $155, $165	Parlor & one bdrm.	13	$210-$295	$450
			Parlor & two bdrms.	15	$315-$410	$450

**State Suites have a maximum of three (3) connecting bedrooms. All other Suites have a maximum of two (2) connecting bedrooms.

*Non-Exhibiting Supplier, Manufacturers' Representatives and Nonmember Paper Merchant Registration Fee: One-Time charge payable to NPTA (Do Not Send a Check). You will be invoiced upon confirmation of your suite. This fee is to be paid *only* by Non-Exhibiting Suppliers who maintain a hospitality suite. Suite fees for exhibitors are included in booth rental fee. Registration fee includes admissions to all meetings and the Exposition. There will be a $2 per person occupancy tax and 8¼% sales tax added to daily rates.

NPTA members pay no registration fee for suites.

NATIONAL PAPER TRADE ASSOCIATION, INC

PREPARING FOR THE FUTURE

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Annual Convention
AND PAPER/PLASTICS AND ALLIED PRODUCTS
Exposition

October 5-8, 1985 New York Hilton • Sheraton Centre Hotels

NPTA

HOTEL/SUITE RESERVATION

No other form will be sent

ROOMS ONLY - Mail To:	SUITES OR SUITES PLUS ROOMS - Mail To:
NPTA Housing Bureau - 6th Fl. 2 Columbus Circle New York, N.Y. 10019	National Paper Trade Association 111 Great Neck Road Great Neck, N.Y. 11021 (516) 829-3070

Refer to Accompanying Listing of Hotels and Rates

INFORMATION AND DIRECTIONS

1. Room assignments will be made in order of receipt by the Housing Bureau. Suites will be assigned by NPTA and will not be confirmed until **the week of July 22.**
2. Accommodations are furnished solely for sleeping and lodging purposes. Rooms may **NOT** be used for display of merchandise.
3. Official convention hotel rates are in effect only until September 6, 1985.
4. No telephone requests will be taken. Use this official form only.
5. Cancellations and changes should be **made in writing** through the Housing Bureau for rooms until September 13, 1985; directly to the hotel after that date. Changes in suites must be directed to NPTA Headquarters.
6. Don't be a "No-Show"—please cancel your reservations if you are unable to attend.
7. Please type all information required.

HOTEL PREFERENCE

1st Choice ____________________

2nd Choice ____________________

3rd Choice ____________________

ROOM CODES*

S = Single Room (One Occupant)
D = Double Room (Double Bed)
T = Twin Room (Two Single Beds)
TS = Tower Single (One Occupant)
TD = Tower Double (Double Bed)
TT = Tower Twin (Two Single Beds)

SUITES

P + 1 = Parlor + 1 Bedroom
P + 2 = Parlor + 2 Bedrooms

*ROOM CODE	RATE REQUESTED	FIRST OCCUPANT	SECOND OCCUPANT	ARRIVAL (Date/Time)	DEPARTURE (Date/Time)

Please bracket names of those sharing rooms
(Photocopy this form if additional space is needed and for your records)

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ADDRESS ____________________ CITY ____________ STATE ____________ ZIP ____________

PHONE ____________________ CREDIT CARD NAME FOR GUARANTEE ____________________

CARD # ____________________ EXP. DATE ____________ TODAY'S DATE ____________

PUBLIC SPACE REQUEST FORM

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NATIONAL PAPER TRADE ASSOCIATION, INC.

PREPARING FOR THE FUTURE

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Paper/Plastics and Allied Products

Exposition

October 5-7, 1985 New York Hilton • Sheraton Centre Hotels

Fill Out This Form To:	Return Completed Form To:
Make sure you get the public space you need! Photocopy for your records.	National Paper Trade Association, inc. 111 Great Neck Road Great Neck, New York 11021 516-829-3070

To avoid conflicts between scheduled functions at the Convention, please fill out the information below and return it to NPTA. We will aid you in securing your public space at the hotels (all of which is held by NPTA) and support you with the hotel convention and/or catering staff.

NPTA will confirm your arrangements and solidify your plans. Badge request forms will follow.

Please complete the information needed below in order to reserve space for your function.

Yes, we would like to hold a meeting ____; meal ____ function during the 1985 NPTA Convention!

Please reserve a room for ____ people on ________________________ (write day and date)

Please send us ____ room set up charts; ____ menu selection brochures as soon as possible.

Name: ________________________ Title: ____________

Company: ________________________

Address: ________________________

City: ________________ State: ____________ Zip: ________

Phone #: ________________________

Signature: ________________________

NPTA®

NATIONAL PAPER TRADE ASSOCIATION, INC.

PREPARING FOR THE FUTURE

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Paper/Plastics and Allied Products
Exposition
October 5-7, 1985 New York Hilton • Sheraton Centre Hotels

SPECIAL EVENTS TICKETS ORDER FORM

No other forms will be sent

Deadline	Mail To	Payment
Order Form Must Be Received At NPTA By September 6, 1985 Photocopy for your records.	National Paper Trade Association, inc. 111 Great Neck Road Great Neck, New York 11021	PAYMENT MUST ACCOMPANY THIS FORM. Tickets for Special Events Are Not Refundable.

TICKETS FOR ALL EVENTS MAY NOT BE AVAILABLE ON SITE: ATTENDANCE IS LIMITED

Chairman's Luncheon: *Stanley O. Styles Industry Excellence Award Presentation: Henry Kissinger Keynote Speaker*
Monday, October 7, 1985
12:30 p.m. - 2:30 p.m.

($15 of each ticket represents a donation to the PAPER Foundation.)
Please Reserve:
______ tickets at $75.00 each $ ________
______ tables of 10 at $700 $ ________

Young Executives Forum: *Winning With People*
Reception, Luncheon, Special Meeting
Saturday, October 5, 1985
12:30 p.m. - 2:30 p.m.

Please Reserve:
______ tickets at $35.00 each $ ________

Spouses Program: *Experience New York*

Saturday, October 5, 1985
12:00 Noon - 4:00 p.m.
"NY Experience"

Please Reserve:
______ tickets at $37.00 each $ ________

Sunday, October 6, 1985
12:00 Noon - 5:00 p.m.
"Days of Wine & Roses"

______ tickets at $43.00 each $ ________

Monday, October 7, 1985
9:30 a.m. - 12:00 Noon
"United Nations"

______ tickets at $17.00 each $ ________

______ **TOTAL FEE REMITTED** $ ________
All Funds Must Be In U.S. Dollars

Names of Young Executives Forum Participants: ________________________

____

Name of Spouses Program Participants:
Sat.: ________________________
Sun.: ________________________
Mon.: ________________________
Signature: ________________________
Send tickets to: ________________________
Company: ________________________
Address: ________________ Phone: ________________
City: ________________ State: ________ Zip: ________

OFFICE USE ONLY
C-Ticket # ________
Y-Ticket # ________
S1-Ticket # ________
S2-Ticket # ________
S3-Ticket # ________
CHECK # ____ AMT. ____

NATIONAL PAPER TRADE ASSOCIATION, INC.

PREPARING FOR THE FUTURE

1 • 9 • 8 • 5

Annual Convention
AND PAPER PLASTICS AND ALLIED PRODUCTS
Exposition
October 5-8, 1985 New York Hilton • Sheraton Centre Hotels

MEETING ATTENDANCE

Please return form to NPTA by September 6, 1985.

National Paper Trade Association, inc.
111 Great Neck Road, Great Neck, New York 11021; 516-829-3070

PLEASE LIST THE NUMBER OF PEOPLE FROM YOUR FIRM WHO WILL ATTEND EACH SESSION

SATURDAY, OCTOBER 5, 1985

____ 10:00 a.m. - 12:30 p.m.
Winning with People (a Young Executives Program) presented by Jack Carew - open to all

____ 3:00 p.m. - 4:30 p.m.
Customer Base Expansion: Improving Your Competitive Edge — an Industrial Paper Division Session

SUNDAY, OCTOBER 6, 1985

____ 10:00 a.m. - 11:30 a.m.
General Business Session with **introduction by Mayor Ed Koch**

____ 11:30 - 12:00 Noon
NPTA Annual Business Meeting *(members only)*

MONDAY, OCTOBER 7, 1985

____ 8:30 a.m. - 9:30 a.m.
Continental Breakfast (free) on the floor of the Exposition

____ 10:30 a.m. - 12:00 Noon
Implementing Successful Printing Paper Marketing Programs — a Printing Paper Division Session

(Monday, continued)

____ 12:00 Noon - 12:30 p.m.
"Preparing for the Future" reception (cash bar)

____ 12:30 p.m. - 2:30 p.m.
Chairman's Luncheon
Henry Kissinger, Industry Award Presentation (tickets required)

____ 2:30 p.m. - 4:00 p.m.
Paper Merchant Retail Cash & Carry — A to Z

TUESDAY, OCTOBER 8, 1985

____ 9:00 a.m. - 11:00 a.m.
Managing Customer and Product Line Profitability presented by Peter Mullins

____ 9:00 a.m. - 11:00 a.m.
Establishing the highest value for your business

____ 9:00 a.m .- 11:00 a.m.
Management Roundtable (pre-registration required)

IMPORTANT: This information will help NPTA determine the room size, seating, traffic flow, and amount of handout materials necessary for each session. You are not obligated to attend sessions checked. Please take advantage of all Convention activities. (photocopy for your records)

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President

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SELLING

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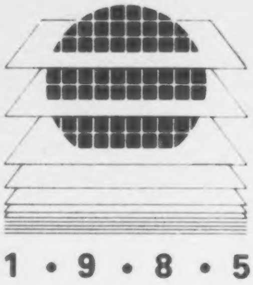

The centerpiece of any annual industry meeting is the place that acts like a magnet to attract merchants and suppliers. It is that place where the largest number of buyers and sellers pass through.

There is no doubt that the centerpiece of the NPTA convention continues to be the Paper Plastics & Allied Products Exposition.

HISTORY OF THE EVENT

The first Exposition, called the Paper Show, was presented as a room show at the Waldorf-Astoria, New York in the spring of 1936. The New York Show was held each spring at the Waldorf from 1936 to 1943. The first post-World War II room show was in 1949. The shows then continued until the spring of 1960.

The first Chicago show was held in 1938, as a room show at the Stevens Hotel (now the Conrad Hilton). This pattern continued until after the 1941 event. The room show was then continued in the fall of 1949. The first booth show was held in 1952 at the Edgewater Beach Hotel in Chicago.

Booth shows continued in Chicago and began in New York in 1963. The show became an annual event in 1968. And since that time, the show has rotated between New York and Chicago.

Paper/Plastics & Allied Products Exposition Hours

In the New York Hilton

Saturday, October 5: 10:00 a.m. - 5:00 p.m.
Sunday, October 6: 11:00 a.m. - 4:00 p.m.
Monday, October 7: 8:30 a.m. - 12:30 p.m.

CHANGES BEGAN IN 1974

In response to changing industry composition and needs, the Paper Show began to change in 1974. First the name: The Paper Show became the Paper/Plastics & Allied Products Exposition. This reflected the growing importance of plastics in the paper distribution industry. The meeting moved to the Hyatt Regency Hotel in 1978 to provide the industry with a more convenient and elegant environment to conduct its annual business.

1981 marked the first Exposition held in a separate auditorium, outside the convention hotel in New Orleans. It was also the first break from the New York/Chicago rotation. The success of this meeting indicated a desire of the industry to move the Convention and Exposition around the country. In future years, the convention will stop in Boston (1986), Atlanta (1987), Anaheim (1989) and New Orleans (1991).

EXPOSITION SIZE GROWS

Since its inauguration in 1936, with 74 suppliers participating in a room show, the Exposition has grown. The largest show through 1970 was 150 exhibitors occupying 190 booths. During the 1970's, the Exposition declined slightly in total participation to 125 exhibiting companies and a total of 175 booths.

The reason for the decline was a reorganization and decline in the number of suppliers selling to the industrial paper and plastics side of the paper distribution industry. The composition of the type of suppliers involved in the Exposition has changed during the years.

During the past 5 years the number of exhibits, total number of booths and the overall attendance has grown steadily. The Exposition has grown to an event that has averaged 155 exhibitor companies, occupying 222 booths.

Total merchant attendance has averaged 1650 during the past 5 years. This number translates into approximately 825 different paper merchant firms attending the exposition, each one looking to meet their present suppliers and also looking for new products and ideas to distribute.

The Exposition in 1984 registered its highest number of paper merchants in over 10 years—2000 distributors and executives, representing 1010 companies nationwide registered.

This general positive attendance trend is evident for a number of reasons. First and foremost, paper merchants look upon the Exposition as the easiest, most convenient way to meet with their big suppliers. Also, they can see what new products are being offered. Merchants implement their supplier contacts throughout the year with other meetings at their offices and at other convention locations.

Exposition management has worked hard to improve the service levels, reduce the hassels and improve the appearance of the exhibit. They also have been aggressively spreading the word about the Exposition to paper merchants and suppliers far and wide.

The Association is committed to improving the Exposition and keeping it the informational and marketplace center of the Annual Convention. A majority of the paper distribution industry supports this concept and they continue to look toward the Exposition as an important meeting.

(Charts on pg. 28)

ALL SOFTWARE COMPANIES KNOW SOFTWARE.

BUT HOW MANY OF THEM KNOW THE PAPER INDUSTRY?

It's one thing to know computers and software inside and out, and quite another to know how to adapt that computer to the needs of the paper industry.

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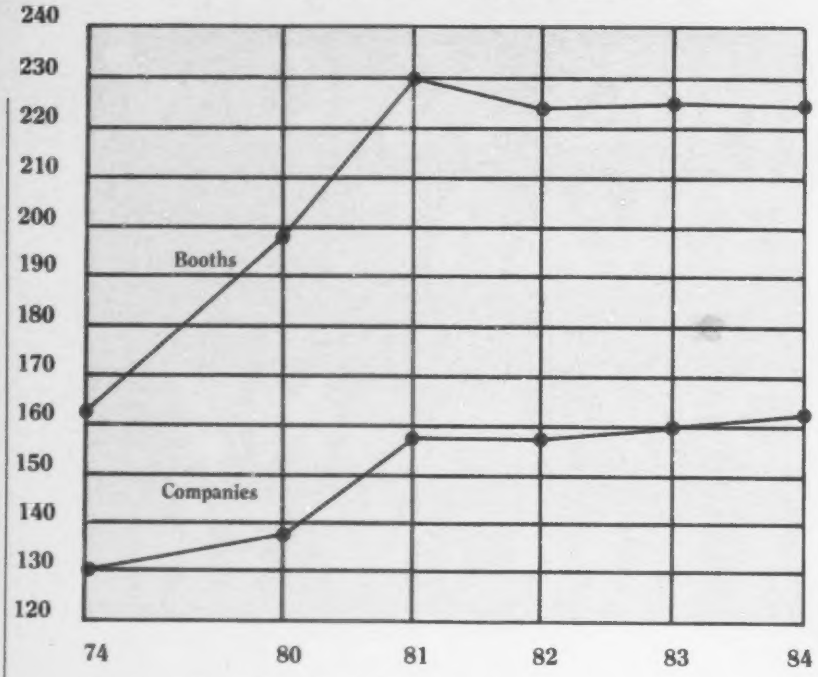
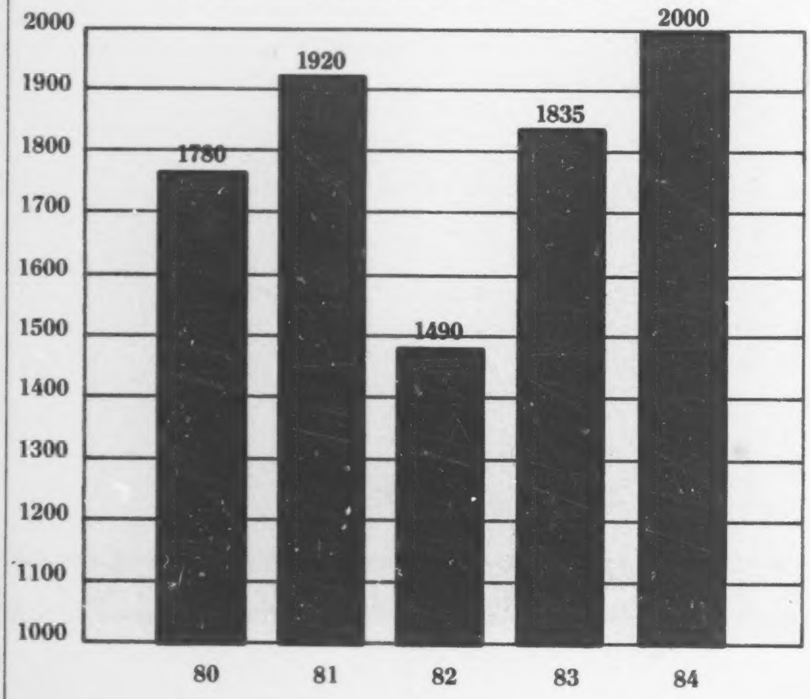
COMPANIES EXHIBITING
PAPER/PLASTICS & ALLIED PRODUCTS EXPOSITION



Source: National Paper Trade Association, inc.
(See Table For Detail)

MERCHANT ATTENDANCE
PAPER/PLASTICS & ALLIED PRODUCTS EXPOSITION



Source: National Paper Trade Association, inc.

COMPANIES EXHIBITING
PAPER/PLASTICS & ALLIED PRODUCTS EXPOSITION

Year	Companies	Booths
1974	130	163
1980	138	199
1981	157	230
1982	156	224
1983	160	227
1984	163	226

Source: National Paper Trade Association, inc.

OCTOBER IN NEW YORK CITY

NPTA's Annual Convention on October 5-8, 1985, takes place this year in the Big Apple—New York City! This eclectic city is full of things to see and do, all year round. As just a sample of what's going on during Convention time, NPTA has compiled a calendar of events of some of New York's sights and attractions. . . all available this Fall.

For sports fanatics, October marks the beginning of a variety of seasons: plan to catch a Giants game or a race at Belmont while in town! October is also the month for art buffs and theater goers. Every museum in the Big Apple is having a special exhibit of some kind and Broadway will be the host of many new and exciting shows. For parade-lovers, Fifth Ave. comes alive with a variety of interesting and colorful parades.

NPTA not only hopes all who attend enjoy the 1985 Annual Convention and Exposition, but also take advantage of the many, many things that New York City has to offer. Experience October in the Big Apple!

Sports:

- Football season at Giants stadium.
- NY Rangers hockey season at Madison Square Garden.
- NY Knicks basketball season at Madison Square Garden (opens late October).
- Thoroughbred racing at Belmont Park and Aqueduct Racetrack, both in Queens.

- New York City Marathon, five-borough run (Oct. 27).
- Ice skating at Rockefeller Center (opens early Oct.).

Parades and Festivals:
- Pulaski Day Parade, Fifth Ave. (Oct. 6).
- Irving Place Festival, Gramercy Park (Oct. 13).
- Hispanic-American Day Parade, Fifth Ave. (Oct. 13)
- Columbus Day Parade, Fifth Ave. (Oct. 14).
- Massing of the Colors Parade, Fifth Ave. (Oct. 20).

Arts and Special Shows:
- New York City Opera, Lincoln Center (Sept. - Nov.).
- New York Film Festival, Lincoln Center (Sept. - early Oct.).
- Disney's World on Ice, Madison Square Garden (Sept. - early Oct.).
- "High Style: Eight Decades of Vanguard Design," Whitney Museum (Sept. - Jan.).
- "Ralston Crawford," Whitney Museum (Oct. 3 - Jan.).
- "The India Exhibit," Metropolitan Museum of Art (Oct.).
- "Ancient Greece and the Amins Painter," Metropolitan Museum of Art, (Oct.).

Things to See:
- **The Lady:** Visit the Statue of Liberty and see her full-scale renovation in process. Her original torch (now removed) is in the Statue workshop for viewing up close and visit the Museum of Immigration in the Statue's base.
- **South Street Seaport:** See Fulton Market, a huge pavillion containing hundreds of cafes and food markets so you can taste every one of your New York favorites, from pizza to hot dogs to swordfish at the Market's Coho restaurant. Browse through the many boutiques and shops that line the cobblestone walks and see "South Street Venture," the multi-media show that interprets this historic, 11-block area.
- **Theatre Museum:** In the heart of the theatre district, this museum takes you through the history of NYC's Broadway including exciting, new exhibits every month.
- **The New Rockefeller Sights:** This NYC Plaza has been redesigned to include handsome new restaurants and house the Channel Gardens, in bloom with many floral displays.
- **The New Chemical Gallery:** Chemical Bank has opened a new, free, permanent exhibit on Park Ave. The galleries will showcase the treasures of local museums and libraries, such as the Museum of the City of New York, Harlem's Studio Museum, and the Historical Society.

...**And also all the regular New York City favorites:** The Empire State Building, The World Trade Center, The RCA Building, Central Park, SoHo, Chinatown, the Fifth Ave. shopping stops like Macy's, Saks, and Bloomingdale's, and much, much more. There is never a shortage of things to see and do in The Big Apple!

For more information on what's happining in New York in October, contact the New York Convention & Visitor's Bureau, 2 Columbus Circle, New York, NY 10019, (212) 397-8200.

CHAIRMAN'S CORNER

CONVENTION TIME: READY OR NOT

Summer vacations were ten years long when I was a child. But for many years now, the Fourth of July seems to be followed directly by Labor Day. And so it goes that this is the "Pre-Convention" issue of *MN*. The Convention will be in New York City the first week in October. All the details can be found in this issue.

This will be our last Convention in New York City for many years to come, so we expect a large turnout. We recommend that you register and make reservations as soon as possible.

The Convention continues to be the one activity that most members associate with NPTA. For some members, this is the only activity that they participate in, but the percentage of that group has been diminishing every year. Each year more and more members attend the many seminars, training sessions, and university-based programs that have been developed by the Association. NPTA sales of various industry publications continue to grow and once their value is understood we find a ready group of customers for new publications.

The quality of this magazine continues to improve and the officers, directors and staff receive compliments and encouragment wherever we travel. Many members have increased the number of their subscriptions so that each key person is sure to have his or her own copy.

Publication of Denis Healy's book, *Growth Strategies for Paper Distribution*, this year will be the first PAPER Foundation project to be completed. Others will follow, and the fund raising for the Endowed Chair will accelerate. Both the Foundation and the Endowed Chair show the promise of making NPTA membership more valuable to each of us in the years to come.

The Chairman's Luncheon, on Monday, October 7, will have Henry Kissinger as our speaker and the Stanley O. Styles Award will be presented. Do plan to attend. A portion of the price of each ticket will go to the PAPER Foundation fund.

We look forward to seeing you in New York at the Convention, and we politely suggest you owe it to yourself and your company to explore what else NPTA has to offer you, in addition to the Convention itself.

Frank J. Viegas

Frank J. Viegas, NPTA Chairman

Printing Paper

U.S. BECOMES NET BOOK IMPORTER

In 1983, for the first time since World War II, the U.S. became a net importer of books, reported the Commerce Department. In addition to being a net importer in terms of units of books, the U.S. also remains a net exporter in terms of dollars. The total export dollar value in 1984 was $642.8 million while the import figure was $495 million.

The 1984 import and export trend has shown a significant rise in imports of books of 36% over 1983 while exports rose only 3%. 1983 was also a bad year for U.S. exports as they dropped 18% compared to 1982. Leading in the export of books to the United States were Singapore with a 176% increase and Hong Kong with a 117% increase. In terms of dollar volume, imports represent 16% of total U.S. book consumption.

The increase in book imports is significant because it is one of the few classifications in printing where there is the ability to import through the Manufacturing Clause. Most of the book imports have been "coffee table" books, children's books and other items that are exempt from the Manufacturing Clause.

NEW POLICY PERMITS REPRODUCTION OF CURRENCY

The Treasury Department has announced a new enforcement policy permitting the use of currency reproductions in commercial advertisements as long as they adhere to size and color restrictions, reported the Government Affairs Department of Printing Industries of America, Inc. (PIA).

"The new policy will eliminate uncertainty for printers who have, in the past, been asked to use reproductions of currency in their clients' advertising materials. This conflicted with the previous Federal law provision that technically prohibits currency reproductions," noted Ben Cooper, senior vice president of PIA Government Affairs.

Under the new provision, printers will be allowed to use photographic or other forms of U.S. and foreign currencies for reproduction if they follow certain size and color limitations. The items must be produced only in black and white and be less than three-quarters or greater than one and one-half times the size, in linear dimension, of each part of the original item.

In addition, *negatives and plates used in the reproduction process must be destroyed after their use*.

The Treasury Department expects to increase enforcement efforts against color currency reproductions and against black and white reproductions that do not meet size restrictions.

This new policy is consistent with the Surpeme Court's decision in the case "Regan vs. Time, Inc." in the July, 1984 ruling that illustrations of currency are allowed for "philatelic, numismatic, educational, historical or newsworthy purposes" as long as they follow the color and size restrictions.

NEW MAGAZINE AVAILABLE FREE

The first issue of *Magazine Design & Production*, published in May, is targeted at all of those involved in the magazine business. The 70 page first issue is a slick-looking publication that contains a number of interesting feature articles and departments.

With the advent of new technology, magazine production and design are being brought close together. The line separating these two functions is blurring as technicians use computers to electronically paste-up magazine pages.

The lead article of the May issue is titled "Where's The Paper" by William Eisner. With mounting concerns about coated paper supply in late 1984 and early 1985, the magazine production community has been particularly upset. Especially because the number of magazine titles that have been added in the last year has put a greater burden on the already over-stressed supply of coated stock.

Paper people interested in receiving a free subscription to *Magazine Production & Design* should write to the magazine at P.O. Box 817, Mineola, NY 11501.

FLEXO EQUAL TO OTHER PROCESSES SAYS FTA

According to George J. Parisi, executive director of the Flexographic Technical Association, "flexographic printing quality is now the equal of letterpress and gravure." So much so that the FTA had to take back an award that was given to a four-color entry in its competition printed on combined corrugated by letterpress not true flexography, as indicated on the entry form.

"This is not an unusual error for the judges to make, particularly since the replacement of lithographic printing by flexography in the corrugated industry is so widespread," Parisi explained. "And the quality of the flexographic printing process is equal to that of the traditional letterpress process used in the corrugated boxmaking industry."

ELECTRONIC PRINTING: A FAST-GROWING MARKET

It started with bar coding, but it did not end there. The ability to print quickly, especially on pressure sensitive label products, seems to have unlimited possibilities.

Bar coding itself is estimated to be a $150-200 million industry reports *Form* magazine, the publication of the National Business Forms Association. Bar coding is now prevading most industries, but the label concept has now been taken one step further—into signage.

In-store signs, quickly printed electronically, are possible because of the marriage of the personal computer and a special printer. Where will electronic printing end?

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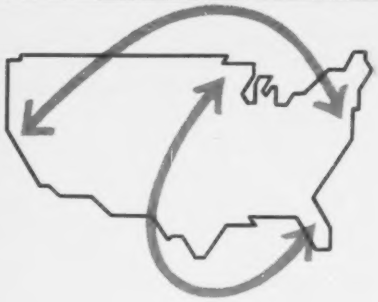

Professions Unlimited is a 13 year old recruiting firm specializing in the paper distribution industry with emphasis on flexible packaging, fine paper and industrial supplies. Professions has placed over 100 people in these areas since 1981—from New York to California, Minnesota to Florida. 80% of those placed were experienced in the paper merchant trade, the remainder were from manufacturers serving paper merchants.

To find out how you or your firm can benefit from our services contact Carl Coco, Jr., CPC, Executive Vice President or Philip R. Gross, CPC, Vice President National Accounts.

*Please note: Our policy states that we only work with one merchant house per city.

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10999 REED HARTMAN HWY. CINCINNATI, OH 45242 513-793-5531

INDUSTRIAL PAPER

GOVERNMENT REPORTS ON SANITARY PAPER PRODUCTS

According to a new report in the "U.S. Industrial Outlook 1985," published by the U.S. Department of Commerce, the value of sanitary paper products shipments (in constant 1972 dollars) increased approximately 6.5% in 1984, compared to 8% in 1983. The driving forces behind the industry's excellent sales performance in 1983-84 and in earlier years, severe economic downturns notwithstanding, were found in three major categories: bathroom/toilet tissue, disposable baby diapers and feminine hygiene products.

Although there has been a constant shift in consumer preferences and purchasing trends within these major product groups—single-ply versus multi-ply, generic versus private label brands, tampons versus sanitary pads, etc.—the nondiscretionary nature of the products has provided the industry with a secure and relatively stable base. Around this base, the industry has been able to develop—at great cost in research and advertising—and expand its entire sanitary paper products line.

Toilet tissue, disposable diapers and feminine hygiene products account for about two-thirds of the total annual value of the industry's product shipments. While most other paper industry sectors experienced a decline in shipments during the 1982 recession year, bathroom tissue sales climbed 2%, disposable diapers rose 7% and feminine hygiene products increased 2.6%.

The largest fluctuations in sanitary paper products shipments over the past few years have occured in products of a more discretionary nature (household toweling, napkins, facial tissue). In addition, products geared specifically to industry (industrial bathroom tissue and wipes) use also have seen these fluctuations.

Fluctuations in disposable baby diaper sales (16.2 billion units were shipped in 1984) have occured because of demographic changes, significant technological improvements, cost-competitiveness versus reusable diapers and greater expenditures on disposable products when consumer spending power increased.

The feminine products market in 1984 totaled an estimated 13.1 billion units (8.6 billion sanitary pads and 4.5 billion tampons), has undergone a dramatic shift over the past few years. This is a direct result of concern about the often-fatal toxic shock syndrome and its documented connection with high-absorbency tampons. It was estimated that sanitary pads accounted for two-thirds of the total value of feminine hygiene sales in 1984 and tampons made up the remainder. This was a reversal of the situation in the late 1970's when tampons held about 60% of the market.

It has long been claimed that bathroom tissue shipments have attained market saturation levels. These shipments traditionally do not show any dramatic gains or losses and generally climb very slowly, closely correlating to U.S. population growth. But in 1983 it was estimated that domestic production of bathroom tissue increased 11% over 1982.

Although supporting data are incomplete, it is estimated that the extraordinary jump in shipments was due partly to a substantial increase in sales to industry, additional capacity coming on stream, inventory rebuilding and unusually stiff price competition. It is estimated that 1984 shipments were closer to the longer-term real growth level of 2 to 3%.

In 1984, an estimated 1.8 million tons of toilet tissue—about eight million rolls—were shipped. Approximately 60% of the total consisted of single-ply tissue that has gained in popularity over multi-ply in recent years. This is a reversal of the trend of the early 1970's. The change is attributed to lower unit costs and technological improvements that have increased the strength, softness and absorbency of single-ply tissue.

There has also been a gradual shift to private label brands that has been encouraged by lower unit costs and steady improvements in the appearance and quality of that product line. Private label and generic tissue products are manufactured by many of the industry's leading producers in addition to their traditional brand name lines.

Exports of sanitary paper products that peaked in 1981, totaled approximately 78,000 tons, a value of $138 million in 1984. Exports, accounting for 1% of total U.S. sanitary paper products shipments in 1984, were sent primarily to Canada, Mexico, the Caribbean Basin and Western Europe. Major exported products included paper towels and, presumably, disposable diapers and other sanitary health products (although they are not specifically identified in U.S. export schedules).

The real value of shipments of sanitary paper products is forecast to climb 7% in 1985. Spurring the growth will be sales of disposable diapers, feminine hygiene products and discretionary products, such as toweling, napkins and facial tissue. Product innovation may include the introduction of specially-treated facial tissue that kills cold and flu viruses on contact. The 1985 projection is dependent on continuing national economic growth that would encourage consumer spending for discretionary-type products.

Over the 1985-89 period, sanitary products shipments are forecast to rise by an annual compound rate of 6.5%. The markets for disposable diapers (baby and geriatric) and feminine hygiene products will continue to show the largest growth. Tampons, especially lower absorbency varieties, will regain much of their lost market and sanitary pads will barely maintain their leading share of the market.

Exports, especially to newly emergent markets in Latin America and Asia, will continue to climb. The real volume of exports is expected to increase by about 5% annually during 1985-89, but will still account for only 1 to 2% of total U.S. sanitary product shipments.

Further information on this report may be obtained by contacting the U.S. Department of Commerce, Office of Forest Products and Domestic Construction, (202) 377-0376.

EMPLOYMENT-AT-WILL?

From a recent issue of the newsletter of the Graphic Arts Association of Pennsylvania, New Jersey, and Delaware comes the following. The employment-at-will doctrine is dying a slow death. Employers should know that statements appearing in the employee handbooks or manuals, designed to promote harmonious employee relations, can haunt them. While such handbooks often are useful, they should contain no:

- *representations as to specific durational terms of employment;*
- *promises of specific treatment in specific situations; or,*
- *references or connections to other documents which may be deemed to be employment contracts.*

On the other hand, it would be advisable to state that the handbook:

- *does not constitute a contract of employment; and,*
- *can be modified or discontinued at any time at the sole discretion of the employer.*

SCHEDULE OF EVENTS SUMMARY

1 • 9 • 8 • 5

Date/Time	Event
SATURDAY, OCTOBER 5	
8:00 a.m. - 5:00 p.m.	Registration
10:00 a.m. - 5:00 p.m.	Exposition
10:00 a.m. - 12:30 p.m.	Winning With People
12:30 p.m. - 1:30 p.m.	Young Executives Luncheon
12:30 p.m. - 4:00 p.m.	Spouses Program
1:30 p.m. - 2:30 p.m.	YEF Members Meeting
3:00 p.m. - 4:30 p.m.	Customer Base Expansion: Improving Your Competitive Edge
SUNDAY, OCTOBER 6	
9:00 a.m. - 4:00 p.m.	Registration
10:00 a.m. - 11:30 a.m.	General Business Session
11:00 a.m. - 4:00 p.m.	Exposition
11:30 a.m. - 12:00 Noon	NPTA Annual Business Meeting
12:00 Noon - 5:00 p.m.	Spouses Program
MONDAY, OCTOBER 7	
8:00 a.m. - 12:00 Noon	Registration
8:30 a.m. - 9:30 a.m.	Continental Breakfast
8:30 a.m. - 12:30 p.m.	Exposition
9:30 a.m. - 12:00 Noon	Spouses Program
10:30 a.m. - 12:00 Noon	Implementing Successful Printing Paper Marketing Programs
12:00 Noon - 12:30 p.m.	"Preparing for the Future" Reception
12:30 p.m. - 2:30 p.m.	Chairman's Luncheon
2:30 p.m. - 4:00 p.m.	Paper Merchant Retail Cash & Carry - A to Z
TUESDAY, OCTOBER 8	
9:00 a.m. - 11:00 a.m.	Establishing the Highest Value For Your Company
9:00 a.m. - 11:00 a.m.	Managing Customer and Product Line Profitability
9:00 a.m. - 11:00 a.m.	Management Roundtable

Convention Registration

In the New York Hilton

Saturday, October 5: 8:00 a.m. - 5:00 p.m.
Sunday, October 6: 9:00 a.m. - 4:00 p.m.
Monday, October 7: 8:00 a.m. - 12:00 Noon

NPTA HOLDS THIRD ANNUAL WEEK FOR

When 60 people come together to participate in a variety of meetings, it hardly makes news. But when those people are the leaders of an industry, it is worth finding out what they are talking about.

Paper distribution executives, volunteer leaders of the National Paper Trade Association, arrived in Boston for the Association's third Annual Committee Week in April. It was clear that they had business on their minds—the business of improving the industry in which they all work. These leaders each spent two days or more intensely studying the paper distribution industry from a number of different perspectives: education, statistical analysis, policies, the needs of printing paper merchants and industrial distribution.

The Association's standing committees are vehicles for that study of the paper distribution industry. These special groups are: the Printing Paper Division Committee, Industrial Paper Division Committee, Education and Training Committee, Management Information Committee, Long Range Planning Committee and the Association's Board of Directors. Each has its own mandate; each contributes to the improvement of the industry.

BOARD OF DIRECTORS

The Board of Directors met to set the Association's goals for the year ahead. Led by chairman of the board Frank Viegas, the Board reviewed the Association's activities and financial status. A broad range of projects were discussed by the 17 member Board.

Highlighted at this year's meeting was the progress of the PAPER Foundation toward reaching its $1 million goal to endow a research chair at the University of North Florida in Jacksonville. $800,000 has been raised to date. The Board also discussed the Stanley O. Styles Industry Excellence Award and its presentation at the annual Chairman's Luncheon. As a Foundation fundraiser, this event will attract industry representatives attending the NPTA Annual Convention and Exposition. The Board wishes this event to be the main annual fundraiser for the PAPER Foundation and hence is putting quite a bit of time and effort into it.

The Board also reviewed nominees for the Stanley O. Styles award and made a decision to announce the winner this year prior to the Convention, probably in August.

The NPTA Board of Directors reviewed all of the Association's activities including the further development of *Management News* magazine. The Board approved its expansion to 28-32 pages per month.

PRINTING PAPER

The Division's Committee for Printing Papers had a very productive meeting in Boston. The group determined that its "Quality Report" developed to help merchants and printers deal more successfully with problems encountered in printed pieces should be coordinated with the Canadian Paper Trade Association. The CPTA has had great success with their form and its adoption by both mills and merchants. By combining forces, a "North American" form might be developed that could be used by all.

The Committee also revised the Printech Week curriculum to make it less technical, planned a presentation for the 1985 Convention and updated the popular brochure "What Does The Right Paper For Your Job Really Cost?"

The group went further in the area of education by recommending the development of a series of educational training modules for printing paper sales people and a customer education program. The one and one-half day meeting was fruitful and the contribution to the Association's work by all participants was significant.

INDUSTRIAL PAPER

The Industrial Paper Division Committee has a responsibility to represent member firms that sell industrial paper and allied products. The work of the Committee has been to develop projects and programs that provide information tailored to the needs of this group.

At its April meeting, the Committee approved a comprehensive study of industrial and dual firms in the area of compensation. The results of this investigation are expected in the Fall.

Also of note is the Committee's development of "commodity specific programs." The first of these, an "Industrial Packaging Seminar," has been slated for October 30-31 in Chicago, IL.

This year's Convention sessions for industrial merchants have been selected by the Committee: "Customer Base Expansion: Improving Your Competitive Edge."

One of the mainstays of the Committee's work is in the area of supplier relations. They have found ways to let industry suppliers know that merchants want to work more closely with them. These methods now include the creation of an exhibitor and suite holder council to review the convention and hotel arrangements.

EDUCATION AND TRAINING

The thrust of the Education and Training Committee's growth during the past three years has been the expansion and further development of its entire educational schedule. The components of the schedule include: seminars, conferences, university-based programs, audio visuals and sales training.

The Education and Training Committee has directed that seminars be expanded in both number of offerings and topics. The programs are now offered a minimum of three times a year in different locations and they cover a broad range of topics to meet the needs of everyone—from the CEO to the operations person.

The Committee has developed several new conferences for this section of its schedule, including "Computerization" and "Sales Development" conferences.

The University-based programs have seen a steady growth in the number of participants over the past three years. For example, in 1982-83, the programs had 86 merchants registered while the following year, 1983-84, had 321. Most recently, in 1984-85, the number increased to 636 participants.

Two new, in-depth sales training programs have been added to this portion of the Education and Training schedule. They include the Xerox Learning Systems Professional Selling Skills and the Carew Positional Selling programs. The Carew program is geared specifically towards the experienced sales person, focusing on sales skills methodology and human resources.

The growth of the Committee's audio visual component includes the development of flyers advertising video training programs according to separate areas of interest. A second segment of this growth also incorporates one of the Committee's new projects—the production of an in-house video training program. "The Role of the Paper Merchant" documents and disects the major functions of the wholesale paper distributor including receivables, payables, inventory, as well as their economic role. The purpose of this video is to give a well-rounded picture of a distributorship operation.

One of the goals of the Education and Training Committee is to produce "spin-offs" of this video that would be specific programs focusing on one particular aspect of training. In addition, the Committee will try to standardize the industry around the ½" video VHS format as another of its goals.

A second new project that the Committee has developed is the "Working Lunches." These consist of a meeting of 5-6 merchants who discuss one specific area of training and exchange their individual ideas. They then combine these ideas to develop an "ideal" training program.

MANAGEMENT INFORMATION COMMITTEE

The basic mission of the Management Information Committee is to continuously monitor the Association's research and statistical program. It ensures that the member firms receive valid, practical and reliable financial information about the industry. This is accomplished through the use of various reports and services to help paper merchants operate more productively.

Existing reports, publications and programs are refined and new ones are continually developed. These include the yearly Performance Analysis Report (PAR), yearly Paper Merchant Performance book, monthly Paper Merchant Sales Report, and a new Quarterly Business Conditions Report.

The PAR program will be improved in several ways during fiscal 1986. Two new, smaller reporting regions have been created, a new "Short PAR" questionnaire is now available, more product line profitability financial measures were added, and several sections of the regular PAR questionnaire were simplified.

The Industrial Paper Division Committee discusses the changing paper distribution scene at Committee Week 1985 held in Boston, MA.

Related to PAR, the yearly summary report (Paper Merchant Performance) will include more graphics and more in-depth analyses this year. Also related to PAR, a new seminar entitled "Managing Customer & Product Line Profitability" will be offered, three sessions in the East, Midwest and West Coast of the country.

Production of the "Paper Merchant Sales Report" will be brought in-house during 1985, once the NPTA's installation of new computer software programs is complete. This will provide greater capability to track participants' historical data, derive estimates, and increase reliability and accuracy, while maintaining confidentiality. Several regions will also be restructured, as with PAR. Greater emphasis will be placed on recruitment of participants.

A major project to be handled by the MIC Committee will be a comprehensive update and revision of an NPTA guide first published in 1969, the *Paper Merchant Guide To Profitable Management*. Committee members will provide substantial input in critically reviewing/updating pertinent sections, coordinating efforts with NPTA's financial consulting firm—Management Foresight, Inc., and the Research Director. Funds have been budgeted for consulting, writing, and editorial counsel.

The "FactBook" is currently contained in NPTA's "Who's Who" membership roster. It is a collection of industry statistics from the U.S. Census Bureau and the PAR survey. The 1985 plan approved by the Association's Board of Directors calls for a significant expansion of the FactBook, using new census data, just published, plus other sources. The book will be enhanced via the use of more textual analyses, graphics, and made into a separate publication. Several marketing alternatives will be explored.

LONG RANGE PLANNING

The Long Range Planning Committee met to refocus its objectives and redefine its purpose. When first established three years ago, the Committee had the responsibility of developing the Association's long range plan. The planning process is still alive and well and so the Committee is still a vital part of the NPTA structure.

The group's new role is now to spend half of its time monitoring the other Committees' planning activities and half of its time looking ahead. This general planning function assists the Board of Directors in determining the direction NPTA will take as an organization. This is an important part of the Association's work and the Long Range Planning Committee will continue to be an integral part of that work.

In terms of the day-to-day affairs conducted by other NPTA Committees, the Long Range Planning Committee has developed an easier tracking system for them to use in their planning of future activities. This standardization allows each Committee to present a five year plan containing the most details for the first three years. Forms containing this information are filled out by each Committee chairperson and forwarded to the Long Range Planning Committee. The Committee, in turn, synthesizes these plans and analyzes the results before submission to the Board of Directors.

INDUSTRIAL PAPER MARKETS-HOW BIG?

The U.S. Bureau of the Census, in its 1982 Census of Wholesale Trade, reported that merchant wholesalers sold $9.1 billion worth of industrial and personal service paper. However, most merchants specialize in a few key market segments to make up this figure. These include: sanitary papers, food service disposables, janitorial supplies/chemicals, retail packaging, etc.

Three of the above-mentioned industrial paper markets account for a significant share of the industrial and dual merchants' total sales each year. Based on annual NPTA PAR (Performance Analysis Report) survey results, Table 1 shows a three-year trend of these three markets:

As one can see from Table 1, together these three market segments typically account for over 40% of total industrial merchants' sales volume, and 35% of dual merchants' sales. And, these segments have represented an increasing percentage of their total sales.

Following is a more in-depth look at these important market segments.

Food Service Disposables Market

The Single Service Institute in Washington, D.C. has estimated that the total U.S. market (at retail level) for food service disposables is currently worth about $2.75 billion.

Paper cups, plates and bowls constitute a $1.2 billion commercial and institutional market, and a $600 million consumer market. Paper tubs, lids, yogurt containers and miscellaneous items are estimated to represent another $1 billion in volume.

Table 1

INDUSTRIAL PAPER END-USER MARKETS

Percent of Total Sales Accounted For By:	Industrial Merchants 1981	1982	1983	Dual Merchants 1981	1982	1983
			(Weighted Means)			
Food Service Disposables	11.25	13.13	15.12	9.21	10.62	10.49
Janitorial Supplies	7.40	7.86	8.20	4.69	4.31	5.31
Sanitary Papers	17.02	18.74	18.40	18.61	20.87	19.62
Total:	35.67	39.73	41.72	32.51	35.80	35.42

Source: National Paper Trade Association, inc. 1984

Table 2

SANITARY PAPERS
Percentage of Market By End User

Distributor Markets	Facial Tissue	Bathroom Tissue	Paper Towels	Paper Napkins
1. Health Care (Hospitals, Nursing Homes, Clinics)	28.6%	15.9%	18.2%	18.3%
2. Industrial	17.4	27.8	27.5	7.3
3. Hotel/Motel	16.4	7.6	4.3	9.2
4. Office/Retail Businesses	11.8	18.7	16.8	7.3
5. Schools & Universities	11.1	13.3	14.6	19.3
6. Food Service	2.4	6.0	4.5	22.6

Source: National Paper Trade Association, inc. 1977

The Janitorial Supplies Market

Janitorial supplies are estimated by the ISSA (International Sanitary Supply Association in Chicago) to be worth $6.6 billion (distributor purchase cost). Included in this market segment are: cleaning chemicals and equipment, paper hand towels, and toilet tissue. Hand towels account for about 16% of the total (or $1.06 billion). Toilet tissues account for about 5% (or $330 million).

Looking at the 1982 Census of Wholesale Trade again, "janitorial equipment, supplies, chemicals and allied products" together accounted for 3.3% of all industrial paper wholesalers' sales in 1982. This is up from 2.7% in 1977. NPTA members, then, are more heavily involved in this market than the average industrial paper wholesaler, since the NPTA industrial member houses had 7.86% of total sales in janitorial supplies in 1982, and 4.31% for dual houses.

The Sanitary Papers Market

No hard data exists for the exact size of this market but NPTA member industrial and dual merchants had about 18-20% of their total sales of this line during 1983. Based on 1983 PAR results, industrial and dual members participating in the survey generated $3.36 billion in sales. If 20% of this $3.36 billion is sanitary papers, this represents $673 million in sales. Nationwide, accounting for those additional merchants who are *not* NPTA members, the figure is probably closer to $910 million.

Back in 1977 the NPTA conducted a survey with Technomic Consultants, regarding end-users of sanitary tissue products. In Table 2, the wholesalers estimated which markets the four major sanitary tissue products went into. It is obvious that the health care and industrial markets are the most significant.

Note: A new seminar exploring the measurement of customer and product line profitability will be sponsored by NPTA. Dr. Peter Mullins of Management Foresight, Inc. is the speaker. First session: July 25, New York City.

WASHINGTON WATCH

GOV'T. NOW PAYS FASTER

In 1978, the General Accounting Office (GAO), Congress' investigative arm, issued a startling report showing that federal government agencies paid their bills late nearly 40% of the time! How much did this cost businesses selling goods and services to the federal government? GAO estimated the cost to vendors at $150-$375 million per year.

This horrible record had a particularly harsh impact on small businesses, including wholesaler-distributors, who were, in effect, lending money interest-free to the federal government. The answer for many was to refrain from doing business with the federal government.

Because the federal government would, but for its extremely poor credit record, have presented wholesaler-distributors with an excellent potential source of business, NAW joined with its allies in the Slow Pay Coalition to work for passage of the federal Prompt Payment Act requiring federal agencies to pay their vendors on time or face interest penalties on overdue amounts. The Act (PL 97-177) was passed into law in 1982 and went into effect on October 1 of that year.

The impact of the Prompt Payment Act has been astounding during the two fiscal years (FY 1983 and FY 1984) of its existence. The Prompt Payment Act works, and the record clearly proves it.

According to the Office of Management and Budget (OMB), federal agencies paid 99% of their bills on time in both years—clearly a dramatic improvement.

In both fiscal years, the Department of Defense was responsible for the bulk of interest penalties paid by all federal agencies—71% in Fy '83 and 62% in FY '84.

In short, while the problems of the not-too-distant past have not been totally eliminated, the dramatic improvement in the payment practices of federal agencies has brought us close to that point, indeed, and that is an important step toward making the federal government a reliable customer and an excellent potential source of future business for wholesaler-distributors.

The National Paper Trade Association is interested in hearing about paper merchants' experiences with the Federal Government relevant to this subject. If you have had an experience that you would like to share, please contact NPTA, 111 Great Neck Rd., Great Neck, NY 11021. (516) 829-3070.

EVENTS

JUNE

11. *Marketing Value Added Services, Indianapolis, IN. Contact NPTA.*

25. *Telemarketing - The Key To Maximizing Your Sales Efforts, Philadelphia, PA. Contact NPTA.*

26. *Telemarketing - The Key To Maximizing Your Sales Efforts, Boston, MA. Contact NPTA.*

27. *Telemarketing - The Key To Maximizing Your Sales Efforts, New York, NY. Contact NPTA.*

JULY

9-10. *Successful Inventory Management For The Wholesale Paper Distributor, Washington, DC. Contact NPTA.*

25. *Managing Customer and Product Line Profitability, New York, NY. Contact NPTA.*

AUGUST

6. *Telemarketing - The Key To Maximizing Your Sales Efforts, Montreal, Canada. Contact NPTA.*

7. *Telemarketing - The Key To Maximizing Your Sales Efforts, Buffalo, NY. Contact NPTA.*

8. *Telemarketing - The Key To Maximizing Your Sales Efforts, Baltimore, MD. Contact NPTA.*

26-28. *The Keys To Growth As A Sales Manager, New York, NY. Contact NPTA.*

LEGISLATURES ENACT NEW CLEAN-UP BILLS

Government regulatory activities have been in full swing lately with the introduction of new environmental clean-up bills by state legislatures, the Single Service Institute reported recently.

One of the first of the new bills is in Pennsylvania with a proposed tax on "food service containers," drafted by Representative Benjamin H. Wilson (R-PA). The legislation would impose a 1/20th cent tax on cups, bowls, plates, buckets, boxes and paper and foil food wrappings used in restaurants for the packaging of food for human consumption. Revenues from the tax would support a proposed Pennsylvania Beautification Fund used to finance local beverage container recycling and litter control programs.

In New Jersey, a bill requiring the recycling of reusable waste materials has been introduced. This legislation applied to any plastic container having the capacity of 12 or more ounces and containing a food or non-food product. If adopted, this bill would call for the recycling of 15% of the municiple solid waste stream by the end of the first year and 25% by the end of the plan's second year.

A tax on plastic containers, including foam products, has been proposed in Oregon. This bill would support the waste disposal program. "Container" is described as a returnable or non-returnable articles in which tangible personal property is placed.

YEF LAUNCHES MID-YEAR EVENT

The Young Executives Forum held its first mid-year conference on March 22-24, 1985 at the beautiful Innisbrook Resort in Tarpon Springs, Florida. 30 Young Executives, representing every part of the country, attended this first conference and all agreed it was a great success.

The purpose of this event was to bring young executives together to share mutual concerns and ideas about our paper industry. This year's conference format was structured to allow a mixture of formal classroom learning with time for informal relaxation and networking among members.

Coordinating the education seminar was Dr. Thomas W. Speh, PhD., professor of marketing at Miami University of Ohio. Dr. Speh's presentation, "Planning for Growth in the Paper Merchant Industry," was the first day topic of the conference.

Dr. Speh led a discussion on how young executives can build a grid matrix chart to plot their company's current market segments. The grid rates current relative market share against market growth rate for each segment. Once charted, a company can then see where each market segment of their business rates in relation to the others. Categorizing these further into for broad categories, Dr. Speh laid out a plan to improve the segments that strengthen the overall company and align it for growth.

The second and third day education sections were conducted by John McNeill, assistant professor of management, Miami University of Ohio. Mr. McNeill expanded on Dr. Speh's presentation by integrating the "Cultural Heritage" aspect of successful business management. Small groups helped the young executives evaluate situations from a value standpoint. The purpose was to show that companies carry cultural values that are responsible for their success.

All education programs were critiqued by the participants and received excellent ratings. Most of those attending felt that the program had definite relevance and could be applied back home at their companies.

The best part of meeting with others in similar businesses is the sharing of ideas and thoughts. All of us who are involved in managing our businesses need input on successful plans that work. This "networking" not only informs us of new ideas, but also helps to solidify or reinforce our current goals and plans. Young Executives have a desire to be true professionals in management. Sharing problems, listening to the concerns of others, offering solutions, or seeking a peer's counsel are important parts of the Mid-Year conference's purpose.

Jon Bloom (l.), executive vice president of JB Papers, and past chairman of YEF, receives a plaque from new chairman Mike Olthoff, vice president Nichols Paper & Supply Company, at the conference.

Conference attendees enjoyed their weekend retreat.

Away from the formal education segment of this year's meeting at Innisbrook, most young executives participated in some form of recreation (but none were eager to have their performances recorded). Innisbrook is known for its excellent golf and tennis facilities as well as being a great place to warm in the sun. And perhaps the Florida sun was the most enjoyable recreational aspect of this year's conference. Next on the list would be the great food at Innisbrook. Both Friday and Saturday nights, dinner was served outdoors, barbeque-style, and was delicious.

The objective of the program was to allow a mixture of education, recreation, and networking. All of those attending felt that this first Mid-Year conference was a great success and met those objectives. Planning is already underway for next year's conference, and I would strongly encourage all young executives to consider attending this successful event.

Listed below are those who attended this year's conference:

By: Steve Ohrman, General Manager,
Supplyways Inc., Portland OR

WHAT THEY SAID . . .

". . . the first annual Mid-Year Conference was a tremendous success. The three presentations were informative and should prove to be beneficial in meeting challenges in our changing market."

Franz Harris, General Manager
Cincinnati Cordage and Paper Co., Columbus, OH

". . . the Conference was excellent. Dr. Speh's matrix was definitely a useful tool and Professor McNeill's presentation was a super concept to remind the merchant about the importance of maintaining an appropriate atmosphere and overall image of the company. Getting together socially gave me a better understanding and appreciation of the industrial merchants—it's a tough business!"

Dan Hock, Sales Manager,
Seamon-Patrick Paper Co., Detroit, MI

". . . the YEF Mid-Year Conference was a refreshing experience and far surpassed my expectations. John McNeill's presentation was particularly thought-provoking. Also, meeting my peers and discussing common issues and problems was definitely a valuable benefit of the conference."

Mike Keneally, Vice President
Set Point, Foxboro, MA

". . . the programs were personally very informative and educationally rewarding. The informal sessions were a great opportunity to meet my contemporaries from the United States and Canada and to discuss different viewpoints and concerns. Thank you again for all your work, I look forward to next year's conference."

Steven W. Carrier, Corporate Vice President
Queensboro Paper Corp., Jamaica, NY

Young Executives Mid-Year Conference

Attendees

Linda Hartinger
Anchor Paper Co.
St. Paul, MN

Mark Kraus
Ambrose Inc.
Birmingham, MI

Jerry Maltz
Century Papers
Houston, TX

Franz J. Harris
Cordage Papers
Columbus, OH

Dennis Weaver
Cordage Papers
Cleveland, OH

Eric Mohr
Dacotah Paper Co.
Fargo, ND

Peter Tomasini
The Dowd Co., Inc.
Woburn, MA

William Hirsch
Fulton Paper Co.
Atlanta, GA

Jeff Kirchmer
General Paper Company
Pittsburgh, PA

Jeff Tapping
Graphic Papers
Scarborough, Ontario
Canada

Andrew Lick
Harrisburgh Paper
Harrisburgh, PA

Jonathan Bloom
J.B. Papers
Union, NJ

Dave Milleman
Mac Papers Inc.
Tampa, FL

Michael Olthoff
Nichols Paper
Muskegan, MI

Alan Leininger
The Ohio & Michigan Paper Co.
Toledo, OH

Thomas Burnett
Peninsular Paper Co.
Tampa, FL

John W. Dietel
Plymouth Paper Company
Holyoke, MA

Steven Carrier
Queensboro Paper Corp.
Jamaica, NY

Kevin Chapman
Rotary Paper Manifold
Schiller Park, IL

James Stenger
Rob Fogel Mill-Andrews Corp.
Rochester, NY

Vernon Field
Russel-Field Paper Company
Bellwood, IL

Dave LaMothe
Seamon-Patrick Paper
Detroit, MI

Jim Reno
Seamon-Patrick Paper
Detroit, MI

Dan Hock
Seamon-Patrick Paper
Detroit, MI

Michael E. Keneally
Set Point Paper Co., Inc.
Foxboro, MA

Brad Shorr
Shorr Paper Products, Inc.
Aurora, IL

Steve Ohrman
Supplyways
Portland, OR

Alan Striano
Viking-Criterion Paper Corp.
Maspeth, NY

David Sparks
Wilcox Paper Co.
Syracuse, NY

David Rhodes
Zellerbach Paper Company
Portland, OR

PAPERSOFT

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IMPROVE THE EFFICIENCY OF OPERATIONS—

Rapid on-line access to information allows questions to be answered while the customer is on the phone. Information changed in one area is automatically changed for all other areas; all of your people see the same information. Warehouse paperwork is created in picking sequence and only items available in stock are indicated as being available to be picked.

REDUCE INVENTORY INVESTMENT—

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IMPROVE CASH FLOW—

PAPERSOFT automatically sends "over credit limit" orders to the credit manager for approval. Also, with PAPERSOFT you can send invoices with the shipment or create them the same day as shipment for mailing. And because all the pricing, amalgamations, taxes, and totals are done by the computer, invoicing errors are practically eliminated.

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the ComputerWorks inc.

P.O. Box 70248, Bellevue, Washington 98007
Collect (206)828-6787

APRIL, 1985

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day April 1985 - Compared To - April 1984	Sales Per Selling Day April 1985 - Compared To - March 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of April		Calendar Days' Cost* of Ending March Inventory	
				1984	1985	1984	1985
INDUSTRIAL							
1	+ 0.5	+ 4.6	- 0.8	43	39	–	65
2	- 1.6	- 3.6	+ 1.2	35	34	51	56
3	+11.2	- 6.6	+ 5.7	36	33	64	55
4	+ 0.2	- 6.9	+ 1.6	37	35	62	49
5	+ 2.1	+ 2.0	+ 3.0	34	33	64	64
6	- 1.9	+ 3.5	- 8.5	38	41	–	–
7	+ 4.5	+ 0.5	+ 2.6	37	34	–	59
NY Metro	+ 3.9	+ 3.8	+10.5	42	36	–	–
Chicago Metro	+ 3.0	- 3.9	- 0.2	35	36	–	47
LA Metro	- 2.9	+ 0.4	- 1.7	50	47	61	51
US	**+ 2.2**	**- 2.3**	**+ 2.8**	**38**	**35**	**60**	**55**
PRINTING							
1	+12.4	- 5.3	+19.1	48	46	–	–
2	+ 3.8	+ 1.7	+ 5.5	44	43	57	58
3	+14.4	- 9.3	+10.4	41	40	80	70
4	+ 2.0	- 1.6	+ 5.5	42	38	69	58
5	- 0.1	- 5.8	+ 6.5	43	42	81	80
6	-12.6	- 9.1	+ 2.2	39	37	–	–
7	+ 1.3	-11.1	+ 9.6	40	36	75	75
NY Metro	- 1.1	- 7.1	+ 0.6	41	37	–	–
Chicago Metro	+ 1.3	- 7.2	+ 4.6	41	40	–	61
LA Metro	- 5.8	- 1.1	- 0.6	44	43	78	87
US	**+ 1.9**	**- 5.1**	**+ 5.9**	**42**	**40**	**73**	**68**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

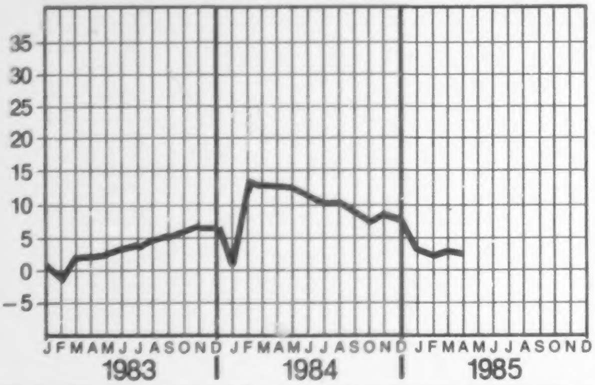
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

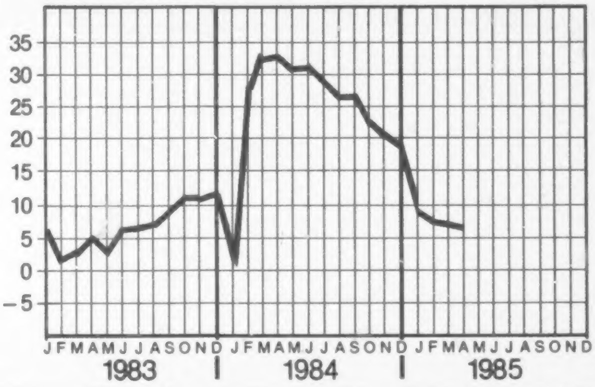
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



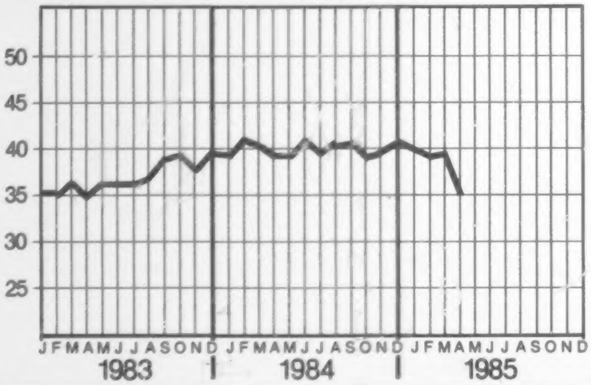
PRINTING PAPER SALES NATIONALLY



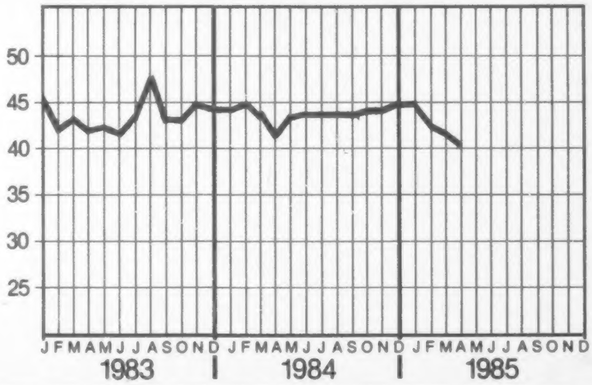
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



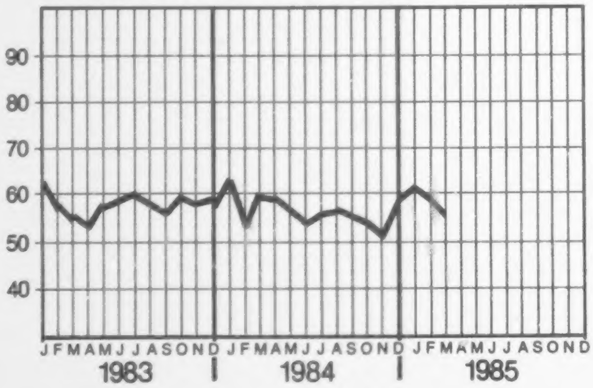
PRINTING PAPER RECEIVABLES NATIONALLY



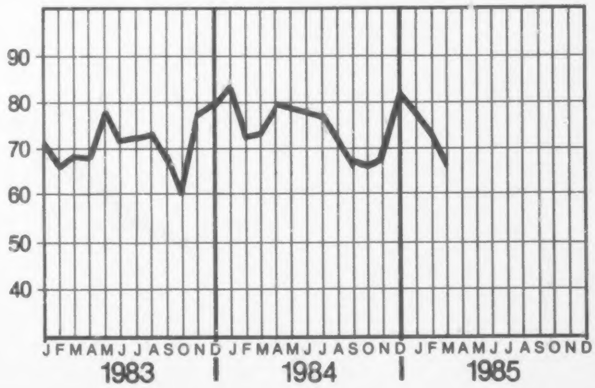
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



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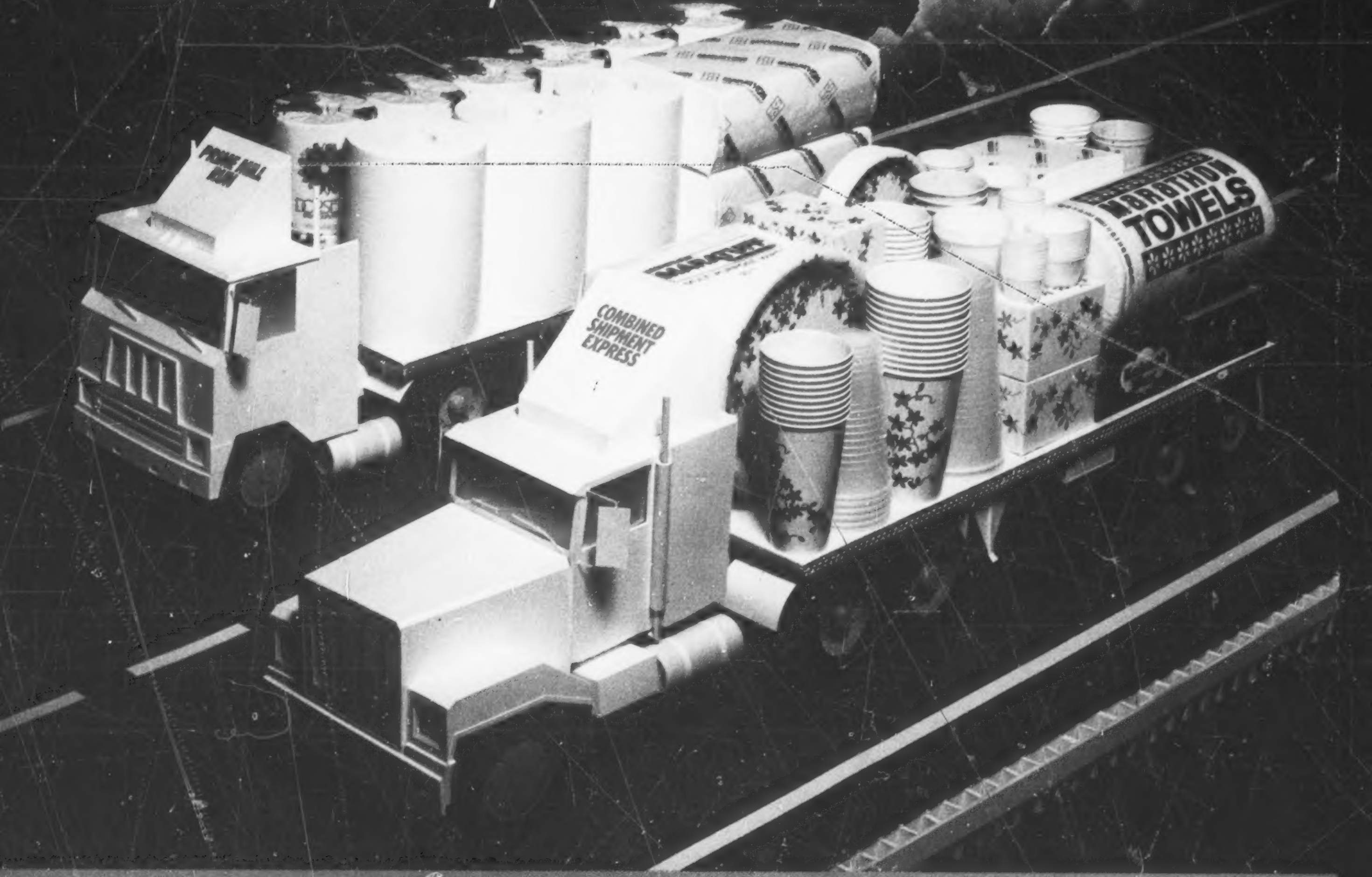

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NPTA MANAGEMENT NEWS

MN

JULY 1985

Another Strong Year for Paper Merchants

FASTER INVENTORY TURNS
Accounts collected more quickly
Printing paper merchants cut operating expenses; industrial up
Indirect gross margins mixed
Direct sales up
Warehouse order size up, warehouse gross margins lower
Pretax profits mixed
SALES INCREASE HIGHEST IN 5 YEARS
DA-70

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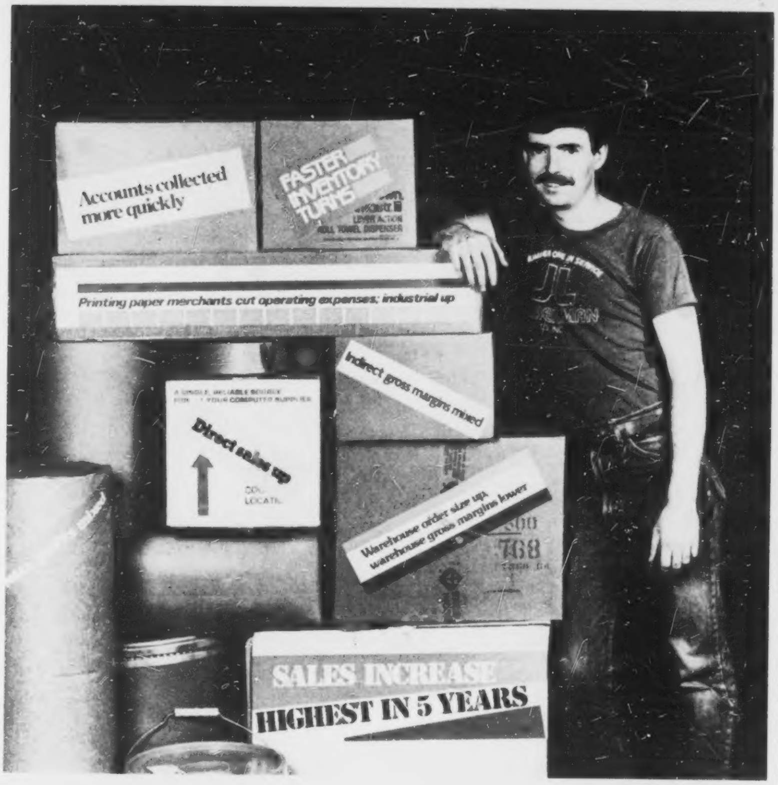
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Cover Photo: Ben Asen

MN'S NEW LOOK

Management News magazine has updated its design with this issue. A new headline type has been selected and the size and arrangement of the article heads on the page is more attractive. Feature articles and department names are set in rules that now go completely across the top of each page.

"The 'new look' is more readable," said *MN* editor William H. Frohlich. "The magazine clearly has its own style that relys on crisply written departments and features that makes it a very efficient way for readers to get the industry information they need each month," he said.

Another change for *MN* is that typesetting is now being done by the aid of a personal computer. Editorial material is being keystroked in the offices of the magazine and the computer disks are being sent to the typesetter.

"By the end of the year we will be 'online' with the typesetter," Frohlich said. "Material will be sent over telephone lines via modem by the end of the year. Using this new technology will allow us to be more current," he said.

130 BILLION COPIES WASTED

American corporations are spending at least $2.6 billion dollars a year on unnecessary photocopies, according to a recent article in *The Wall Street Journal*. These photocopies account for nearly two out of every five copies made.

The results of a nationwide survey of vice presidents and personnel directors of 100 large companies found that 29% of photocopies made for business purposes aren't necessary. And, out of approximately 350 billion photocopies made each year, 8% are for personal use.

LESLIE ACQUIRES CHICAGO PAPER

The principals of Chicago Paper have joined the management of Leslie Paper Company. Leslie, headquartered in Minneapolis, MN, operates four divisions plus 11 branches in the Midwest, Washington, DC and Dallas, TX.

Chicago Paper is a 103 year old fine paper merchant based in Des Plaines, IL with 1984 sales in excess of $40 million. They also maintain offices in Milwaukee and the Quad Cities.

Chicago is the number two printing market in the United States and is especially important to Leslie. Bill Ellis, president of Chicago Paper, and his management team will remain in charge of the operation for Leslie.

POTLATCH EXPECTS DIFFICULT MONTHS AHEAD

Potlatch anticipates that it will have to adjust to a weakening economy in 1985, the company reported on May 3. Richard B. Madden, chairman and CEO, told stockholders at their annual meeting in San Francisco that Potlatch will continue to do well those things it can control. "Our response now is to stay with those operating and financial policies that will enhance the competitive positioning of our major wood and pulp-based businesses," Madden said. The company is currently facing deteriorating economic conditions and the added burden of widening softness in key paper markets.

"The U.S. dollar's persistent relative strength continues to hurt key Potlatch paper markets, particularly the bleached paperboard export business," Madden reported to the shareholders. "Order backlogs at all of our bleached paperboard and printing paper mills are considerable below year-ago levels," he said.

From a broader economic perspective, Madden said the strong dollar and its negative impact on the nation's trade balance is among several unresolved issues that demand attention at the federal level. "Excessive government spending and huge budget deficits continue to have an adverse influence on nearly all of our businesses," Madden said.

BUTLER BECOMES GNN'S LARGEST DIVISION

Butler Paper Company, headquartered in Denver, CO, has been named Great Northern Nekoosa's fifth operating division. William R. Laidig, chairman and CEO of GNN made the announcement and said that the new designation for Butler took effect on July 1, 1985.

Butler Paper has been a subsidiary of Nekoosa Papers Inc., one of the four existing GNN divisions. The establishment of the new division, which consists of Butler Paper and Mail-Well Envelope, is a reflection of the rapid growth the two companies have experienced in the last few years.

In making the announcement, Laidig said, "Because of Butler's size, continuing growth and dynamic prospects, it is now appropriate for the company to be a separate GNN division. This is an acknowlegement of its increasing importance to our total sales revenue and profitability."

Butler will be GNN's largest division as measured in sales. In 1984, sales for the paper distribution and envelope business were over $600 million. In 1985, sales will be significantly larger as the result of both normal growth and acquisitions.

Because its business is less capital intensive than paper manufacturing, Butler's assets ($165.6 million at the end of 1984) are less than those of GNN's manufacturing divisions. Butler's earnings have been noted both for consistency and long-term growth. The new division will have approximately 4,200 employees.

Butler Paper was founded in Chicago 140 years ago. Its paper distribution business has expanded to 64 location through internal growth and acquisition. The company moved its executive offices to Denver in 1980.

Francis G. (Mike) Walker will continue as president of Butler Paper, but will now report directly to Laidig. Walker is also a vice president of GNN. Sherwin Zimmerman will continue as president of Mail-Well Envelope, reporting to Walker.

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FREE BOOKLET ANSWERS FAMILY BUSINESS QUESTIONS

Frank Butrick, an expert on family relationships in the privately-owned business, has published a booklet that discusses the more frequently-asked questions by troubled business owners and their heirs. The booklet, titled "Ask Mr. Butrick...," presents letters from both parents and heirs.

Mr. Butrick discusses such parents' problems as: "None of my children will take over...what should I do?" and "I will be turning over the business to my son soon, but I don't want to retire completely...how can I avoid getting in my son's way?" From the viewpoint of the heir, Mr. Butrick presents heirs' problems such as: "My father is semi-retired and I run our business. But dad takes more money than I get. How can I get him to pay us equally?" and "Father offered me a job in his business, but it doesn't interest me as much as my speciality. Should I accept?"

The booklet answers about a dozen questions regarding these types of family business problems. It is available by sending $1.00 to cover postage and handling to the Independent Business Institute, P.O. Box 159, Akron, OH 44309.

CENTURY PAPERS REPORTS GOOD YEAR

Century Papers, Inc. of Houston, TX reported unaudited net earnings for the year ended March 31, 1985 were $989,000 on sales of $103.4 million. Earnings growth showed a 7.5% increase over the past year on sales that increased 36.8%

Herschel G. Maltz, president and CEO of Century, said earnings in the fourth quarter were lower than the company had expected earlier. He said that "business was generally sluggish and highly competitive throughout most of our operating divisions and was particularly below par in Houston and the Rio Grande Valley of Texas."

EVENTS

JULY

9–10. *Successful Inventory Management For The Wholesale Paper Distributor, Washington, DC. Contact NPTA.*

25. *Managing Customer and Product Line Profitability, New York, NY. Contact NPTA.*

30–8/1. *Graphicsfaire, the first show in the summer series will be held at the Sheraton Waikiki, Hawaii. For more information call or write: DANF Associates, 100 West Grove Street, Suite 115 Reno, Nevada 89509. (702) 825-6228.*

AUGUST

6. *Telemarketing—The Key to Maximizing Your Sales Efforts, Montreal, Canada. Contact NPTA.*

7. *Telemarketing—The Key to Maximizing Your Sales Efforts, Buffalo, NY. Contact NPTA.*

8. *Telemarketing—The Key To Maximizing Your Sales Efforts, Baltimore, MD. Contact NPTA.*

25–27. *Institute for Graphic Communication's Advances In Impactless Printing, Holiday Inn On The Beach, Monterey, CA. For more information regarding IGC Conferences call 617-267-9425.*

26–28. *The Keys To Growth As A Sales Manager, New York, NY. Contact NPTA.*

SEPTEMBER

5. *Managing Customer and Product Line Profitability—A Key To Survival And Growth In The 80s., Chicago, IL. Contact NPTA.*

ALLING AND CORY'S VAN DERBOGART DIES

Clifford L. Van Derbogart, retired chairman and president of Alling and Cory headquartered in Rochester, NY, passed away on May 18, 1985 at the age of 84. He retired from the company in 1970.

Van Derbogart joined Alling and Cory in 1954 as assistant to the president. He was elected vice president and a member of the board of directors in 1956 and became president in 1957. The following year he was named chairman of the board.

As a leading figure in the paper industry, Van Derbogart served as chairman of the Paper Distribution Council and was a director of the National Paper Trade Association. He also served as chairman of eight mill advisory councils as well as the leader of many other groups.

SOUTHWESTERN MERCHANTS HELD SUCCESSFUL MEETING

San Antonio marked the sight for a gathering of 150 delegates for the annual Southwestern Paper Merchants Association convention this past Spring. The associations' members discussed past and future activities, accepted a slate of new officers, viewed exhibits at the "Paper Affair" and enjoyed a host of social events.

Speakers at the convention included San Antonio Mayor Henry Cisneros and Dr. Richard Hansen of SMU. Dr. Hansen presented a session on sales and marketing techniques. Also, a Saturday morning roundtable discussion was held featuring John J. Buckley, Jr., president of NPTA and Noel Evans and Dick Reinhardt.

The new officers were accepted by acclamation as follows: Nick Nicholson, Apollo Paper, president; Monty Wright, Empire Paper, 1st vice president; Larry Maltz, Century Papers, 2nd vice president; James Jackson, Cardinal Paper, secretary-treasurer; and Richard Roberts, Roberts Paper, director at large.

The social events that were held at the convention included a golf tournament, cocktail parties, a "night-on-the-town" and the "Battle of the Flowers" parade.

G-P RELOCATES MIDWEST OFFICES

Georgia-Pacific has relocated its Midwest regional sales offices from Franklin Park to Schiller Park, IL. The new facility is adjacent to the southeastern boundary of the O'Hare International Airport complex.

The office is the regional base for company sales personnel in the areas of kraft paper and bleached board, printing paper, safety paper, containerboard, consumer tissue and commerical tissue products and systems. The new address is Southgate O'Hare Office Center, 4333 Transworld Road, Suite 200, Schiller Park, IL 60176. The telephone numbers remain unchanged.

NAPL AWARD GOES TO McCLAY

The National Association of Printers and Lithographers presented its highest award to James J. McClay at the annual meeting of the Walter E. Soderstrom Society in April. McClay is the president of Mike Roberts Color Productions in Oakland, CA.

The Soderstrom Award, named after the founder of NAPL, is presented annually to an individual in recognition of outstanding contribution to the industry. McClay was commemorated for his distinguished term as chairman of the NAPL in 1982–1983. The award also conveys great respect for McClay's contributions to the industry in general.

While chairman of the NAPL, McClay was responsible for the association's new logo, two new periodicals and an in-depth Long Range Plan for the association. Also, McClay developed an innovative educational break-through called the "Executive Certification Program."

McClay has also held several key positions in a variety of industry organizations including having served as president of the Associated Printing Industries of East Bay and the Post Card Manufacturers Association. Also, he was director of the Printing Industries of Northern California. Currently, McClay serves on the board of the Graphic Arts Education and Research Foundation.

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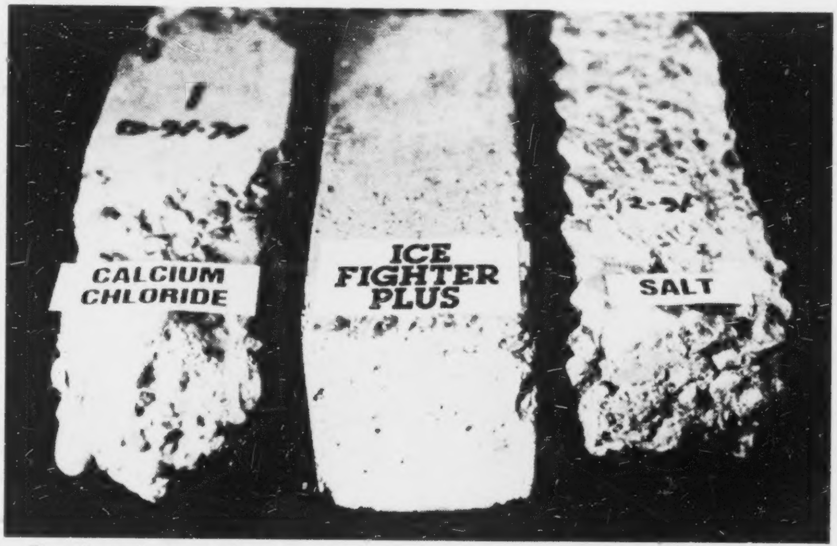

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PEOPLE IN THE NEWS

Mike Mazo has become president of Saxon Paper–New York.

Ronald E. Mechling has been named director of marketing for Dillard Paper Company, Greensboro, NC.

Robert M. Baumgardner has been appointed executive vice president of Carpenter Paper Company of Nebraska headquartered in Omaha. Prior to his appointment, was general sales manager–business and printing papers for Boise Cascade. **Rex E. Watson** has been appointed sales manager of Carpenter's Great Falls, MT district.

Reyburn D. Gove, II has been promoted to sales manager and **Ted Rymarz** has become product manager of Morris Paper Company, Pittsburgh, PA.

Dennis Burnell has been appointed corporate marketing manager of Inlander-Steindler Paper Company's Elk Grove Village, IL branch.

Ron Pierce has been appointed vice president–sales of Moore Paper Company, Houston, TX.

Sol Hyman, vice president of H. Goldman and Sons of Philadelphia, has retired after 54 years in the paper industry.

James E. Carbine has been named sales manager of Joseph Weil & Sons, Inc. of Chicago, IL.

James W. Ward has been appointed vice president and general manager of Schnaible Service and Supply Company of Lafayette, IN.

Steve Ohrman has been named vice president of West Coast Paper Company of Seattle, WA. **Richard Smith, Carolee** Calvo, Dennis Wheeler and Brett Mitchell have also been named vice presidents of the company.

George B. James has been named as president of the newly restructured Crown Zellerbach Corporation. **William T. Creson** will continue as chairman and CEO. **James A. Toney** becomes the president of the new specialty packaging company and **MacDonald S. Denman** will head the limited timber partnership.

PRINTING PAPER

CANADA'S PRINTING TARIFF POLICIES IN QUESTION

The Printing Industries of America's Government Affairs Department has asked U.S. Trade Representative, Clayton Yeutter, to investigate the Canadian government's action to increase tariffs on catalogues and advertising materials by 50%. PIA asked for a review of Canada's compliance with the General Agreement on Tariffs and Trade (GATT).

During GATT negotiations, Canada agreed to reduce its tariff on catalogues and advertising material from the rate established in 1984. In addition, they agreed to change their tariff evaluation methods from fair market value to transaction value (invoice amount).

When the method change went into effect, Canada implemented a 50% *increase* on catalogues, advertising materials and other selected items. Therefore, while the overall effect of the new tariff was to reduce tariffs in printed products, the reductions were in areas where trade is minimal, and the increases were in areas where trade is substantial.

TWO PHILADELPHIA AREA PRINTERS IN TROUBLE WITH GPO

The Public Printer of the United States, Ralph E. Kennickell, Jr., recently announced the debarment of two Philadelphia area printing contractors from doing business with the U.S. Government Printing Office (GPO) for a 1-year period. Robert Camm, president of Quadra Graphics of Pennsauken, NJ and Lawrence Kelly, of M and M Displays, Inc. of Philadelphia, PA, were debarred for providing meals, liquor and other valuables to employees of GPO's Philadelphia Regional Printing Procurement Office.

Mario Bernazzoli, manager of the Philadelphia Regional Office was sentenced to 60 days in prison in July, 1984 for accepting unlawful gratuities from printing contractors. GPO fired the assistant manager of the same office for similar reasons.

Public Printer Kennickell noted that debarment proceedings against other Philadelphia area printing contractors for providing gratuities to Government employees are under active consideration. In October, 1984, GPO debarred Cassidy Printing Company of Southampton, PA on the grounds that the company's performance of Government contracts indicated a lack of reliability and business integrity.

"Debarment actions such as these and others under consideration make it clear to everyone that GPO is committed to carrying out an aggressive program to protect the public interest in all of our dealings with contractors," Kennickell said. "In this manner," he added, "we not only serve the American taxpayer, but our customers and reputable contractors as well."

COATED SUPPLIER STOCKING 5 MILLION POUNDS OF PAPER

United Paper,Inc. of Sturgis, MI has introduced "UNI-COAT C1S and C2S," a new line of coated cover and board stocks. Terry Mildenberg, president of the company, states that the firm is carrying an inventory of five million pounds of coated paper and board stocks for immediate shipment to merchants.

UNI-COAT is produced by a leading US manufacturer, but they are also carrying the premium finish board called "Tako."

"One of the features of our sales policy," stated Charlie Schmidt, sales manager of United Paper, "is that there is no minimum order size. We will also ship truckload lots up to 200 miles without a freight charge," he said.

INDUSTRIAL PAPER

IT'S IN THE BAG

Shipments of paper and non-paper bags (including grocers' and variety/merchandise bags and sacks, specialty bags and liners, multiwall bags and shipping sacks) climbed an estimated 4.0% in 1984. That was the second successive year of positive growth for the industry—1983 was up 2.5%. This news was just reported by the US Department of Commerce in its *US Industrial Outlook 1985*.

Stimulating the upturn was a gradual improvement in the consumer, nondurables sector represented by those purchasing domestic bags and liners. Added to this was the sharp acceleration in the level of business activity on the part of those companies that utilize bags and sacks in their manufacturing processes.

Domestic bag sales, in general, grew very slowly during the last decade showing a compound annual rate of less than 0.5%. The more highly fluctuating industrial-type demand was severely constrained by a series of economic downturns over that period as well. But significant changes have taken place within the bag industry in recent years and a major shift has been seen in the type of packaging used. The trend from paper to plastic films has been evident.

Paper vs Plastics

In 1984, flexible plastic packaging was estimated to have accounted for over 60% of the real value of domestic bag shipments—up from 45% in 1972, and over 90% of the specialty bag and liner product group (the industry's major subcategory).

The trend toward alternative plastic packaging was quite rapid during the 1970s but has slowed in the 1980s. This can be attributed, in part, to the greater cost-competitiveness of kraft paper with comparable plastic film recently, plus consumer preference for paper bags and sacks in certain end-use markets. Although plastics now claim 8–10% of the grocery bag market, it is far less than what was previously predicted a decade ago.

Traditional retail customer buying habits, the convenience, and greater rigidity of the kraft paper bag and that it can be recycled has slowed the shift to plastics. In other areas of the bag industry, though, the inherent advantages of flexible plastics have played a major role in their advancement. These include: lighter weight, greater tear strength, higher moisture resistance, better storageability, less energy needed for production, better printability with colored inks, and better reusability. Plastics are now in common use as merchandise, laundry, dry cleaning, shipping, and as food and confectionary wrappings. Plastic films are also being incorporated into heavy-duty paper shipping sacks and multiwall bags to give added strength and better protection against moisture loss.

Multiwall Bags

In the past two years, the most dynamic growth sector in the industry has been in multiwall bags and shipping sacks. It is estimated that during the first half of 1984 the volume of shipments of paper shipping sacks climbed about 10% over the comparable period the year before with strongest demand among chemicals, cement and minerals end-users. Although industrial demand for shipping sacks was down during the second half of 1984, shipments for the entire calendar year were estimated to have climbed about 7% over the previous year's level. In 1984, an estimated 3.4 billion shipping sacks were sold compared to about 3.2 billion in 1983 and 3.1 billion in 1982.

Foreign Competition

Foreign trade in paper and plastic bags and liners is small in relation to annual domestic shipments (about 1% for both exports and imports). In 1983–84, the United States imported a larger dollar volume of bags (mainly plastic) than it exported which reversed its traditional positive trade balance in this area. Comparatively lower-priced and lower-quality plastic bags, wraps and liners have been entering US markets in increasing quantities from low-cost producers in Southeast Asia (especially Taiwan). US producers sell their quality bags primarily in Canada and Mexico in addition to at home.

Outlook for 1985

The real value of bag shipments is forecast to climb about 2.0% in 1985, reflecting continuing (though slower) growth in industrial demand for shipping sacks and multiwall bags, and a fairly steady rate of increasing sales for grocery and merchandise/variety bags and liners. Plastics will continue to make inroads into the grocery bag and sack market at the expense of paper, capturing as much as 12–13% of the real value of shipments in this sector by the end of 1985. Consumer resistance will constrain a more rapid shift to plastics in the grocery bag sector and some major grocery chains will continue to offer their customers the luxury of choosing either paper or plastics. Imports will continue to outpace exports as low-cost foreign producers exploit continuing US demand for lower-priced flexible plastic packaging.

Long-term Prospects

For the 1985–89 period, bag shipments are expected to climb at an average annual compound rate of 2.0% with much of the growth centered in the shipping sack and multiwall bag sector. This assumption is contingent on a fairly healthy domestic economy with attendant demand for industrial-type packaging. Plastics will continue to increase their market share of the grocery bag and sack sector at the expense of paper, capturing about one-third of that market by the end of the forecast period.

Other industry growth areas in this period will include plastic shrink and stretch film used to bundle heavy palletized loads. Retort food pouches will begin to show promising growth after years of disappointing sales. The pouch, constructed of layers of plastic film and aluminum foil, has been undergoing continuing technological change and improvement and will eventually be adapted for use in conventional and microwave ovens. It may ultimately compete for markets currently dominated by the metal can.

Merchants Post Highest Sales Growth in 5 Years

For 50 years, the National Paper Trade Association has collected data on the paper and allied products distribution industry. The industry, representing nearly $24 billion dollars in annual sales, has been in a growth mode and the NPTA survey has tracked right along with it.

This year the Association's survey sample totaled over $7 billion in 1984 sales. This represents 30% of the entire industry. As far as surveys go, this is a more than significant sample. The reliability of these statistics, without question, merit the readers attention.

The complete report, Paper Merchant Performance, is available from NPTA to suppliers at $135. It is currently being mailed to all NPTA member firms at no charge.

Performance Analysis Report (PAR) for calendar year 1984 which represented over $7 billion in paper merchant sales, consisted of $4.2 billion in printing paper, $1.1 billion industrial paper and $1.7 billion in dual paper merchant sales. This breaks down to a mix of 60% printing, about 25% dual and 15% industrial.

The Typical Firm

The "average" printing, industrial and dual paper merchant is analyzed in this article by looking at key sales, profitability and asset management measures. Performance is tracked for calendar years 1984 and 1983. A company may differ from these national averages, however it *is* useful to compare individual company results with these industry averages to see how well that firm has performed.

Composite means have been used for all data. These figures are the most meaningful, since they represent the performance of each group as a whole, yet they are weighted for large and small firms.

Sales Performance

Once again, merchants posted very strong sales increases during 1984, higher than in 1983 and far outpacing inflation in general. The U.S. Bureau of Labor Statistics reported that producer prices of printing paper rose 5.2% in 1984 and were up 5.3% for industrial paper.

The average printing paper merchant par-

Table 1 THE AVERAGE PRINTING PAPER MERCHANT

COMPOSITE MEANS*	1983	1984
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	14.62	24.50
Warehouse Sales As % Total Sales (%)	45.73	43.47
Direct Sales As % Total Sales (%)	51.24	53.98
Avg. Warehouse Order Size ($)	$370.10	$398.74
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	2.36	2.77
Warehouse Gross Margin As % Warehouse Sales (%)	22.96	22.22
Indirect Gross Margin As % Indirect Sales (%)	17.62	17.46
Direct Gross Margin As % Direct Sales (%)	6.55	6.24
Operating Expenses As % Gross Trading Margin (%)	85.29	81.81
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	4.80	4.93
Days Sales In Accts. Receivable On Nov. 30 (Days)	43.84	41.51

*Composite means reflect the performance of each group as a whole.

[redacted]

ticipating in PAR, however, registered a 24.5% gain in sales—more than four times the inflation rate. The average industrial merchant posted a 14.3% gain (up from 6.5% in 1983), while dual merchants experienced an 11.9% increase (up from 8.3% in 1983); all–in–all a strong performance in 1984.

Printing paper merchants had the largest percentage of direct sales relative to their total revenues—nearly 54% of total sales during 1984. Corresponding figures were 36% for dual firms and about 28% for industrial houses. All three kinds of merchants had a higher share of direct sales in 1984 than 1983.

The average warehouse order size in a printing paper house stood at $398.74 (up 7.7% over 1983), $278.51 in an industrial firm (up 14.4%), and $337.79 for dual merchants (up 14.1%).

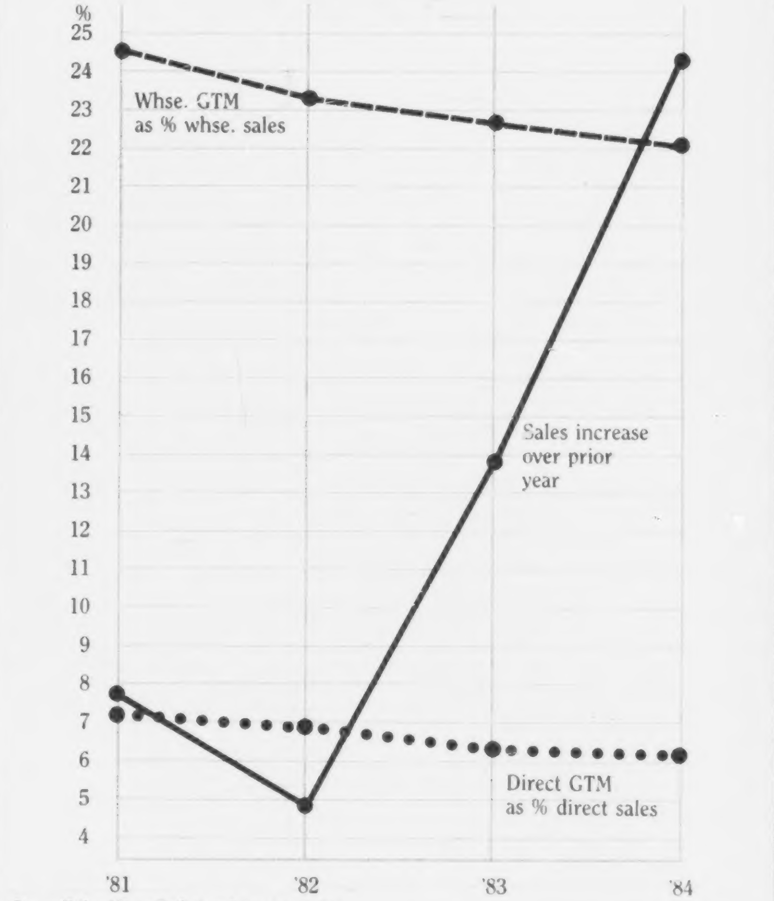
Table 2 THE AVERAGE INDUSTRIAL PAPER MERCHANT

COMPOSITE MEANS	1983	1984
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	8.29	11.85
Warehouse Sales As % Total Sales (%)	69.67	66.26
Direct Sales As % Total Sales (%)	23.90	27.97
Avg. Warehouse Order Size ($)	$243.42	$278.51
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	2.22	1.98
Warehouse Gross Margin As % Warehouse Sales (%)	22.85	22.65
Indirect Gross Margin As % Indirect Sales (%)	22.74	23.14
Direct Gross Margin As % Direct Sales (%)	12.00	12.66
Operating Expenses As % Gross Trading Margin (%)	92.86	94.48
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	6.26	6.32
Days Sales In Accts. Receivable On Nov. 30 (Days)	39.58	36.42

*Composite means reflect the performance of each group as a whole.

Chart 1

Printing Paper Merchant Performance



Source: National Paper Trade Association, inc. 1985

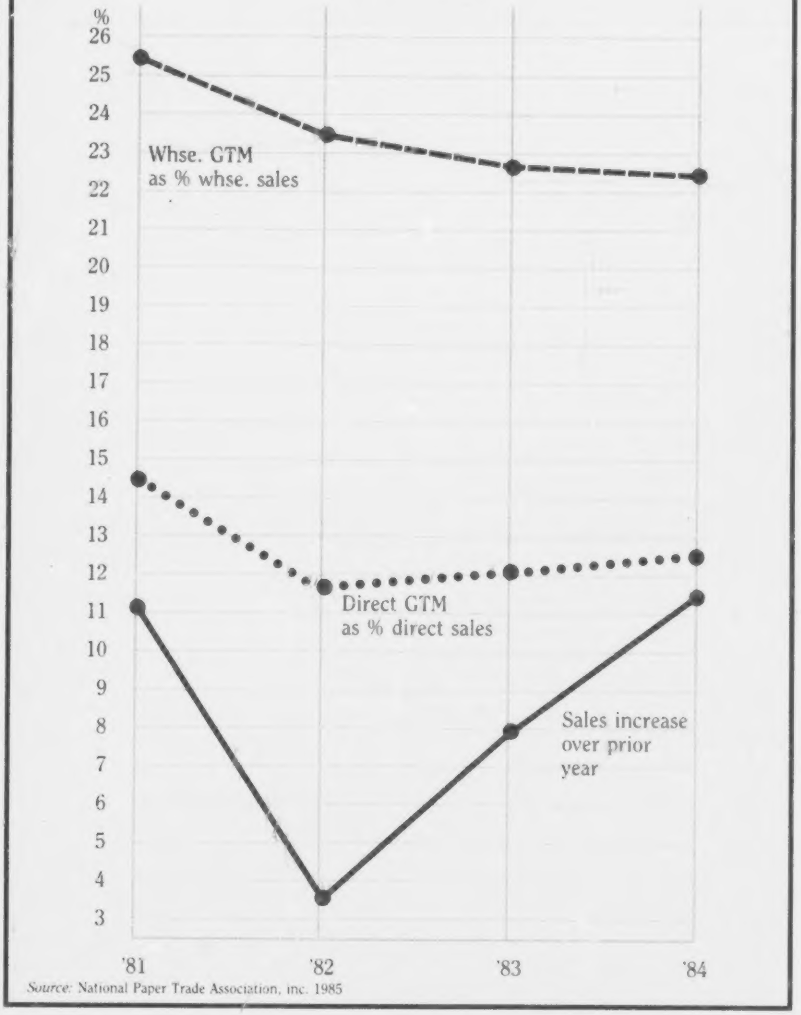
Profitability

Printing paper houses cut their operating expenses (as % of gross trading margins) significantly in 1984. Dual merchants cut expenses slightly but industrial merchants' expenses relative to gross margins rose and stood at the 94.5%, highest of all three groups. The same pattern held true when examining pre–tax net profits as a percent of net sales. Printing and dual merchants' net profits were up to 2.77% and 2.73% respectively, while industrial houses' profits slipped to 1.98% of net sales.

Warehouse gross margins (as % warehouse sales) were remarkably similar, ranging from 22.2—22.6% for all three types of merchants. Warehouse margins were very slightly lower in 1984 than 1983. *Direct* gross margins (as % direct sales) were down slightly for printing and dual firms, 6.24% and 8.72% respectively. Direct margins were up, however, for industrial merchants, to 12.66%. Direct margins, of course, are considerably lower than warehouse margins since a direct sales is shipped from

Chart 2

Industrial Paper Merchant Performance



Source: National Paper Trade Association, inc. 1985

Editor's Note: 1984 PAR data is very comprehensive and could never be covered adequately in one article alone. MN will be publishing more and different financial statistics in upcoming issues. If more information on a specific measure is needed (by region, sales volume, quartile or ROTA–Return On Total Assets), please call the NPTA Research Director.

the mill to the merchant's customer without the storage and handling costs involved. *Indirect* sales involve temporary storage at the merchant's warehouse, with more handling and delivery expenses involved than direct sales, but less than the typical warehouse sale. Consequently, indirect gross margins fall in the middle. These margins slipped slightly to 17.46% in printing paper houses and 17.96% in dual firms. Industrial merchants saw a slight rise, however, to 23.14% of indirect sales.

Asset Management

Two key asset management measures are inventory turn over and accounts receivable. For the most part, all merchants did a better job of collecting their receivables and making their inventory turnover more rapidly during 1984.

Printing paper merchants typically turned over their inventory 4.93 times in 1984 versus 4.80 times in 1983. Their days sales tied up in accounts receivable were reduced from 43.8 to 41.5 days. Industrial merchants' inventory turned over 6.32 times annually, versus 6.26 times in 1983. Receivables were cut a full three days from 39.6 to 36.4. This is a critical area of improvement for merchants, since too long a collection period in today's climate of high interest rates in essence means that they are extending expensive trade credit to their customers. Inventory was turned over 6.43 times yearly in 1984 for dual merchants, compared to 5.76 times in 1983. Receivables were cut two days, from 41.6 to 39.6 days.

[redacted]

Conclusion

Taking into account the strong sales gains posted by merchants, the improved asset management performance, operating expenses being held in check and a maintenance or slight improvement of gross margins and pre–tax net

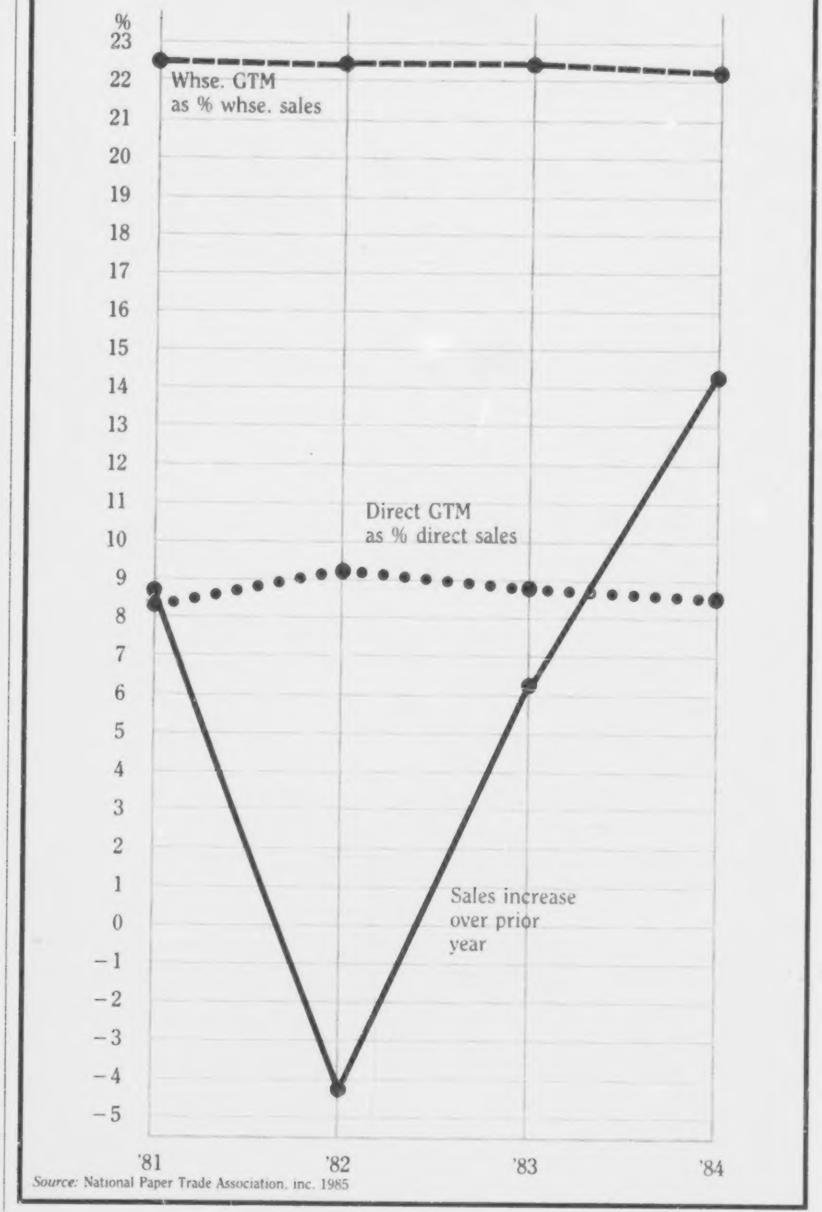
Table 3 THE AVERAGE DUAL MERCHANT

COMPOSITE MEANS*	1983	1984
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	6.45	14.26
Warehouse Sales As % Total Sales (%)	56.57	56.13
Direct Sales As % Total Sales (%)	35.51	36.11
Avg. Warehouse Order Size ($)	$296.20	$337.79
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	2.50	2.73
Warehouse Gross Margin As % Warehouse Sales (%)	22.78	22.32
Indirect Gross Margin As % Indirect Sales (%)	18.04	17.96
Direct Gross Margin As % Direct Sales (%)	8.74	8.72
Operating Expenses As % Gross Trading Margin (%)	87.37	86.82
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	5.76	6.43
Days Sales In Accts. Receivable On Nov. 30 (Days)	41.57	39.55

*Composite means reflect the performance of each group as a whole.

Chart 3

Dual Paper Merchant Performance



Source: National Paper Trade Association, inc. 1985

profits, 1984 was a well-balanced year of noticeable improvement for the typical paper merchant. This continues the trend of improvement set in 1983 and parallels the strong economy overall with its consequent firm demand from various paper end-use sectors.

Further improvements in profitability will be difficult when considering the extremely competitive environment. However, via such tools as telemarketing, increased computerization, cost control and more careful analysis of customer and product line profitability, these gains will be achieved.

Did You Know...?

■ Over 40% of an average paper merchant's assets are tied up in **Inventories?**

ARE YOU MANAGING YOUR ASSETS EFFECTIVELY?

To help you maximize your inventory control techniques, NPTA now offers:

■ *Automated Inventory Management For The Distributor* by Gordon Graham
ONLY $36.00

■ *Paper Merchant's Guide To Profitable Management: Management of Inventories* by NPTA
ONLY $15.00

ORDER TODAY!!

Contact: NPTA
111 Great Neck Rd.
Great Neck, N.Y.
(516) 829-3070

Bringing in a Specialist Saves Copco Money

The benefit of having Gordon Graham address the Copco group alone was a tremendous advantage since we could discuss individual Copco problems with him, as well as general inventory subjects. I have attended many inventory seminars but never have I participated in one that was so thorough and current with its ideas.—Jerry Page, Jr., president, Copco Papers.

Copco Papers, Inc. in Columbus, OH recently took a bold initiative by embarking on a major inhouse training effort. The objective was to provide management with the skills and competencies associated with inventory management. On April 25, 45 of their administrators–corporate president, VP's of fine and industrial papers, controllers and credit, purchasing, sales and human resource managers–took on an intensive, full-day program.

Copco wanted to involve all its key management people in learning more about inventory and all of the elements related to inventory management. And learn they did! Developed from NPTA's most successful and highly acclaimed seminar, "Successful Inventory Management for the Wholesale Paper Distributor," consultant and inventory management expert Gordon Graham customized the Copco presentation for its specific and individual inventory and marketing needs. Having management attend the workshop gave them an exposure to the many aspects involved in managing the inventory assets through proper controls in procurement.

The workshop took place away from the office in a setting designed to get everyone into a learning mood. The facility was the Michigan State University Conference Center in Troy, MI, near Copco's Auburn Heights Division. A second benefit of holding the program in that particular area was the opportunity for the attendees to visit the Auburn Heights facility.

What was accomplished at the workshop? The program's focus was on four areas:

- Using the computer to manage inventory more productively and efficiently
- Cost effective ways to improve service and turnover
- Practical guidelines required to make the warehouse run more efficiently, maintain records and the system
- Better ways to buy profitably

Inventory management expert Graham customized the Copco presentation for its specific needs.

In the short time frame of the program, there were discussions of problems related to order point, safety allowance, line point, economic order quantity (EOQ), cost of carrying inventory, inventory turn, calculation of usage rate, cost to order, determination of inventory classification and buying before a price increase. Also discussed were topics such as warehouse location systems, stock transfers between divisions, inventory fill rates, action reports and dead inventory.

Merle Cunningham, senior buyer at the Columbus, OH Division said, "This seminar gave us a great deal of information to comprehend in one day. It was, however, presented in a manner that everyone could understand. It also included a workbook of examples to refer to during and after the meeting. We will be using this book many times as we consider the many different points brought out by Mr. Graham. Copco can benefit by the topics discussed as we implement them."

One of the fringe benefits of the program was the cost savings to Copco. Rather than an individual participant fee, the cost to Copco was a single group charge–one-fourth that of sending managers to one of the NPTA Education and Training Department's open programs.

The time away from the office for the Copco personnel will be returned many fold by the knowledge they gained. We must train and develop our people today to do a more professional job tomorrow. What we accomplished by the workshop was obtaining terminology, techniques, procedures, concepts and guidelines for inventory management that can be applied on the job for immediate results."

For more information on a customized inhouse NPTA seminar, contact the Education and Training Department. The Department will be pleased to develop one of its many seminars for any company's specific marketing needs at a substantial savings.

By William Voisard, Corporate Manager, Purchasing and Inventory, Copco Papers

New Senior Sales Course

> *The Carew system provided us with such positive feedback from so many senior professionals throughout the United States. We saw it described by many as a significant career development experience. Positional Selling can offer definite career enrichment for Cordage people.—John F. Church, Jr., president, Cincinnati Cordage and Paper Company*

The need for a high level sales training program for the paper distribution industry has become clear during the past year. Responding to this need, the National Paper Trade Association has announced the adoption of the Carew Positional Selling System's program. "This is a most exciting tool that many of our members are now using to improve sales," said John J. Buckley, Jr., president of NPTA. "The system is responsible for such outstanding results in the form of increased sales, increased gross trading margins and increased market share for those companies that have chosen to use it."

For these reasons, the National Paper Trade Association has decided to adopt the program for use throughout the paper distribution industry. Promotion to member firms has just begun.

A strong recommendation for the Carew System of training is the fact that its roots are in the paper industry. It is a product of years of development and testing with paper people and now it has reached its maturity in the paper distribution industry. Paper merchants in many parts of the country are already using the program and are capitalizing on its unique approaches to the sales situation. "The Education and Training Committee of NPTA, from its inception, has worked to provide the best available programs in sales training," said Dave Brizius, chairman of the group and corporate director of marketing communication for Copco Papers. "To my knowledge, the Positional Selling program is the fastest growing training program in the paper and graphic arts industries," he said.

The Positional Selling Environment

Positional Selling, as a training program, is taught inhouse at paper merchant firms. It is a week-long course that is customized to meet the specific needs of each firm. "As market areas and sales goals are different for each company, the system must be crafted to each need," Buckley said.

The program is intensive and is made up of a core course and a follow-up management component. Although it is designed for the experienced sales professional, newer, less experienced people can also benefit from the program. Further, the system utilizes the more experienced sales professionals as a resourse to help, support and increase the productivity of the entire organization. The net effect for those who have used the system is one that has far exceeded expectations.

Program Benefits

The Carew System is a unique approach to sales development that helps create a positive climate within the paper merchant operation. Sales professionals know how to stay "in position" with clients. The benefits of this program include:

- developing new business
- expanding business in established accounts
- revitalizing marginal accounts
- improving position in all accounts
- generating cooperation and support among sales representatives
- increasing the effectiveness of sales management
- increasing sales, marketshare and profitability

"I am excited about the support that the National Paper Trade Association has given to the Positional Selling technology," said Jack Carew, president of Carew Positional Selling Systems, Inc. "The outstanding results in the form of increased sales and increased profits, realized by so many of the NPTA members as a result of Positional Selling are a credit to the energy commitment their management teams have devoted to the pursuit of sales excellence."

More Information

The success stories are numerous and are well documented. It is for this reason that the National Paper Trade Association has included the Positional Selling program as part of its outstanding portfolio of services to its membership. For more information, contact the NPTA at 516-829-3070.

Young executives are invited to attend a special presentation by Jack Carew on October 5, 1985 at the Annual Convention. For details, contact NPTA.

U.S. Industrial Outlook for Wholesale Trade

Merchant wholesaling (SIC 50-51) is expected to post a sales gain of 10% by the end of 1985, with the durable goods' rate of increase larger than nondurables. Growth at a 9% rate is foreseen through 1989.

by Theodore A. Nelson,
U.S. Department of Commerce

The Nation's 418,041 wholesaler-distributors, hereafter referred to as wholesalers, had sales of $2.0 trillion in 1982, the latest year for which data are available. The wholesaling industry comprises three groups: merchant wholesalers; manufacturer' sales branches and offices; and commission merchants, agents, and brokers. Merchant wholesalers accounted for 81% of total establishments, 58% of total sales, and 78% of employment in 1982.

In the United States, wholesaling probably is more vital to the economy than in any other country or marketplace in the world. It helps the economy adjust, both in times of high growth and in times of recession, because of its ability to react rapidly to changing demand and supply. Thus, wholesalers role as the nation's inventory manager is becoming increasingly important in times of economic flux.

During the remainder of the 1980's and into the early 1990's, the wholesale industry is expected to undergo significant change, according to a report published by the Distribution Research and Education Foundation (DREF), the long-range research arm of the National Association of Wholesaler-Distributors (NAW). Economic pressures, productivity gains, and technological developments are some of the factors that will provide large opportunities and major difficulties for wholesalers.

Current Situtation

The economic recovery that got underway in 1983 continued strong in the first half of 1984. The improved economy and pent-up consumer demand helped make 1984 an outstanding year for the merchant wholesale industry. In the first half of 1984, durable goods merchant wholesalers' sales increased by over 23% compared to the same period a year earlier. Due to improvement in the residential housing market, merchant wholesalers' sales of furniture and home furnishings and electrical goods increased by over 33% during the 6-month period. Other durable goods merchant wholesalers registering double-digit gains included motor vehicles and automotive equipment; hardware, plumbing and heating equipment; and machinery, equipment and supplies. Nondurable goods merchant wholesalers experienced a growth of over 14%. The only exceptional increase in this category was in paper and paper products that increased by over 23% during the first half of 1984.

The rapid growth during the first half of 1984 was not expected to continue throughout the entire year. Merchant wholesalers' sales for 1984, therefore, were estimated to reach $1.35 trillion (current dollars) in 1984, more than 14% above 1983. Sales by durable goods wholesalers were estimated to have exceeded $591 billion, up 17%. Nondurable goods wholesalers were expected to realize growth of about 11%, to an estimated $758 billion.

Characteristics and Composition of Wholesaling

Merchant wholesalers are engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm and professional business users; or to other types of wholesalers. In addition to selling, merchant wholesalers also maintain inventories of goods, extend credit, physically assemble, sort and grade goods in large lots, break bulk packages and redistribute in smaller lots, refrigerate, deliver, and promote through such means as advertising, labeling and design. Merchant wholesalers also provide to their suppliers current marketing information about changes in customer behavior and purchasing habits based upon comments received from the customers.

The remainder of the wholesaler industry consists of such groups as purchasing and selling agents, manufacturers' agents, export and import agents and commission merchants. Manufacturers' sales branches and offices as well as auction companies also perform wholesaling service.

The wholesaling industry's share of GNP was 6.8% in 1983. The average annual rate of growth of GNP originated by the wholesale industry has generally exceeded general business activity during the latter 1950's and throughout the 1960's. Since the early 1970's, however, wholesaling has grown slower than the economy, but the trend reversed in the early 1980's. And, wholesalers' sales will probably parallel or slightly exceed the overall pace of the economy throughout the remainder of the 1980's.

New Trends for Wholesalers

Wholesalers, responding to new competitive pressures, have become marketing specialists, helping customers do everything from calculating profit margins to laying out shelves and beefing up sales.

In the future, wholesalers are expected to continue introducing so-called value added services such as store design and market research. By 1990, three-fourths of all wholesalers will use on-line computerized order entry systems, according to industry estimates. Besides providing retailers with store labels and ordering machines, the wholesaler also will provide detailed monthly reports on sales by product and other types of services such as pricing, profit margins, advertising and shelf arrangements.

A study released by the NAW's DREF reports that in the future suppliers and customers are expected to place more of the inventory functions on wholesalers to reduce their costs of carrying inventory. Also wholesalers probably will perform more of the functions of inventory management as the percentage of total goods and commodities that are moved to the market through wholesalers increases. This would increase the need for wholesalers to manage inventories more effectively in the face of continuing high carrying costs and business growth.

Improved inventory management will require greater use of centralized full-time warehouses servicing satellite warehouses that stock only fast moving items or serve only as distribution points without holding inventory of their own. Wholesalers will also make extensive use of automated purchasing and inventory control systems, thus reducing the overall level of inventory and obsolescence and more use of on-line purchasing and inventory management systems linked to suppliers' inventory management systems.

With tighter inventory control, wholesalers are placing more importance on efficient and economical means for delivering goods. They must analyze the various transportation modes or carriers for delivering their particular products. They must weigh such factors as cost, speed and reliability against the quality of service.

More often than not, the wholesaler utilizes several modes for delivery of goods in order to keep costs down while maximizing service. For example, one firm may choose to fly its own plane to deliver goods under unusual circumstances, maintain its own trucks for local deliveries and utilize the U.S. postal service and public carriers for longer distances.

Foreign Competition

The influence of foreign companies and investors within the wholesale industry in the U.S. is expected to increase substantially in the 1980's. According to NAW's DREF, about 10% of U.S. wholesale companies will be foreign-owned and 15% of wholesale sales will be controlled by foreign manufacturing companies by 1990.

Foreign investors find the U.S. wholesale industry attractive for investment because of the economic stability here compared with other countries, a desire to control product distribution in the U.S. market, a high return on investment, and the foreign surplus of capital.

Some foreign owned manufacturers and wholesalers will probably establish wholesaler companies in the United States by 1990. Some of the competitive advantages that foreign-owned companies may have over domestic wholesalers distributing domestically produced products are: lower prices, access to quality foreign products, and access to specialized markets.

Employment and Earnings

Employment in total wholesale trade declined slightly in 1982 due to the recession, following an average increase of 3% annually between 1972 and 1981. In 1984, wholesale employment was estimated to have increased to 5.5 million, almost 4% above 1983. Merchant wholesalers continue to account for over three-fourths of total employment, while other types of wholesalers–manufacturers' sales branches and offices, agents, brokers and commission merchants–accounted for the remainder. Employment levels, regardless of economic conditions, have been relatively stable over the years for two reasons: (1) the customers of most wholesale lines are so diverse that a slump in one consumer market does not hurt enough to compel laying off large numbers of employees and (2) during the business recession, most wholesale firms reduce workweeks rather than lay off people.

During 1984, the average workweek in wholesaling was aproximately 38.5 hours, about the same as the preceding year. Average hourly earnings were expected to increase almost 4%, to $8.86 an hour.

During the remaining years of the 1980's, the service trades sector is expected to increase its share of all jobs in the labor market. Wholesale trade, however, is projected to show only modest relative gains in employment due to increased automation and better communication systems.

Product Liability

Product liability continues to be a crucial problem for wholesalers and other non-manufacturers of capital goods and consumer products. The problem was characterized in the 1970's by skyrocketing insurance premiums. Industry sources report significant evidence that dramatic increases in product liability premiums confront wholesalers across the United States.

To ease this burden, Congress enacted the Risk Retention Act of 1981 and clarifying legislation in 1983. It permits associations to form insurance groups tailored to their specific needs and risks. NAW, for instance, "tapped" the Act and offers a business insurance package designed specifically for wholesalers that provides both comprehensive general liability (including product liability) and workers' compensation coverage.

The industry believes that the Risk Retention Act provides only part, albeit an important part, of the solution to the product liability statute as a top legislative priority.

Pensions

In the wholesale industry, pension plans are an extremely important part of the fringe package offered by employers to employees. Both single and multiemployer pension plans are prevalent in the industry.

The primary focus of the industry's concern in the single employer area is on the financial condition of the single employer termination insurance program administered by the Pension Benefit Guarantee Corporation (PBGC). Industry sources report concerns that employers sponsoring underfunded single employer, undefined benefit pension plans are able to terminate plans and pass unfunded liabilities of plans onto the PBGC and, thus, onto other employers who continue to offer such plans to their employees. This combined with plan terminations brought about in the recent past by bankruptcies has led to a growing PBGC termination insurance program deficit. The deficit could reach $1 billion by the end of FY'87, according to industry sources, in the absence of a dramatic increase in the premium and/or legislation to reform the program itself. Industry sources report widespread support for reform legislation confined to addressing the deficit problem at the source as a prerequisite to any premium increase.

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) was enacted to deflect what was viewed as an imminent threat to the financial stability of union-negotiated multiemployer pension plans. Under the Act, wholesalers face withdrawal liability that can be triggered by a total or partial decline in employer pension plan contributions. Facility shutdowns, workforce reduction, union decertifications, sales of businesses, natural disasters and a host of other events can also trigger withdrawal liability.

Industry sources report that many wholesalers have been hit with withdrawal liabilities, sometimes in excess of th affected firms' net worth. Other wholesalers report substantial contingent financial obligations. Wholesalers and others are seeking legislations to modify rules regarding withdrawal liabiblity, asset sales, premium rates, insurance provisions and funding standards.

Bankruptcy Reform

Since Congress acted in 1978 to substantially liberalize the nation's bankruptcy laws, wholesalers have become increasingly concerned about growing misuse of these laws. Specifically, wholesalers' customers and suppliers with substantial earnings potential have been able to avoid meeting their debt obligations. In some instances, particularly involving wholesalers of construction supplies and building materials, bankrupt contractors have reopened their businesses under a new corporate identity, using wholesalers' goods that were never paid for in their new projects.

Wholesalers should realize some relief as a result of the enactment of the Bankruptcy Amendments and Federal Judgeship Act of 1984 which, among other things, contains a number of provisions to tighten the system to reduce abuses. However, wholesalers feel that the new bankruptcy law does not address the preference provisions of Bankruptcy Code.

High Effective Tax Rates

According to the wholesaler industry, the present federal tax structure creates wide disparities in effective tax rates paid by businesses that have similar financial profits. An "effective tax rate" is commonly computed by dividing the amount of taxes actually paid by the amount of net financial income as reported to shareholders. Thus, a business effective tax rate is determined by the *proportion of net income* paid as taxes, not by the absolute dollar amount paid. While the maximum corporate tax rate is 46%, the use of numerous exemptions, deductions and credit can dramatically lower the overall effective rate, in some cases by as much as 30 to 40 percentage points.

However, many businesses pay effective tax rates that are very high. For instance, labor and inventory-intensive industries, like wholesalers, are not able to make more than nominal use of most of the capital cost recovery provisions of the tax code because 80% of their assets are in inventory and accounts receivable, not in capital assets. The widely reported annual study of effective corporate tax rates by the Congressional Joint Committee on Taxation documents an effective tax rate of approximately 36% in the wholesale industry.

The existence and impact of the problems caused by the disparities in effective rates led the NAW to form the Coalition to Reduce High Effective Tax Rates with representatives of other major affected industries.

Outlook for 1986

Merchant wholesalers' sales will not grow as rapidly this year as they did in 1984. Their sales, however, should continue to grow faster than the economy again in 1985. If the economy remains fairly stable, total sales of merchant wholesalers should approximate $1.48 trillion, rising 10% above 1984. Durable goods wholesalers' sales should reach $665 billion, up 12%, while nondurable wholesalers' sales should post sales of $820 billion, an increase of 8%.

Some of these sales gains can be attributed to the increase in prices during the year. In addition, the expected combination of stable employment and an increase in personal disposable income that should strengthen consumer expenditures for merchandise, will reduce inventories of trading establishments; e.g. retailers, industrial, commercial, institutional and professional users. This should increase merchant wholesalers' sales since inventories must be replenished.

Long-Range Prospects

Assuming that the economy remains fairly stable, total merchant wholesale sales are expected to grow at an average annual rate of 9% during the 1985-89 period. Sharply changing market conditions, triggered by years of rising costs, volatile interest rates, and a shrinking capital base, will raise a number of issues over the next decade. Dealing with those issues will challenge merchant wholesalers to plan more precisely. For wholesale executives, planning for years ahead will be as vital as filling customer orders and meeting delivery schedules.

Now and in future years, wholesalers face changes in operating costs, credit terms, working capital, inventory valuations and maintenance, types of value added services, energy costs related to vehicle use and warehouse operations, state and Federal regulation, business taxation, technology advancement, market share, product diversification and acquisition and merger.

Operational or organizational adjustments may be needed to minimize potential loss or to take advantage of an unfolding opportunity. Computerization and market research will aid spotting trends and gauging the scope and direction of evolving changes.

As the need for investment capital expands in the 1980's, the potential sources of capital will become increasingly important. While internal cash from operations will continue to be their most important source of capital, wholesalers are also expected to rely in the future on several secondary sources of capital such as bank loans, mortgages and leases. Wholesalers will be less inclined to use short-term debt as a means for financing in the 1980's, instead, use of long-term bank loans will increase. Mortgages also are expected to offset the potential hazards of interest rate fluctuations that accompany reliance on short-term debt. Leases also will help increase cash flows, thereby freeing capital for financing other needs.

IN A CREATIVITY SLUMP?

Marketing managers can often find themselves in a creativity slump with a tired mind and a lack of innovative ideas. According to the book, ***Marketing Topics*** *as appeared in* ***Sales & Marketing Digest****, there are several suggestions that the manager can consider to get him out of that rut. If this is you . . .*

- *Read materials from other industries. These can be applied to your industry and provide refreshing new perspectives.*
- *Read good marketing books such as* ***In Search of Excellence****. Pay attention to chapters on the importance of marketing.*
- *Hold your marketing meeting in a new place. A change of scenery can have a positive influence on tired minds.*
- *Delegate one of your routine jobs and use the extra time as "thinking time."*
- *Write down ideas as soon as they occur to you; file them for later evaluation.*
- *Accompany one of your sales people on a few calls. This will increase your credibility with your sales people and provide you with useful ideas for sales training.*
- *Add new, ambitious, aggressive people to your marketing committee. The competition and excitement as well as their new ideas, can be constructive.*

THE COMPUTER'S ROLE IN TELEMARKETING

The preference trend of businesses that sell by telephone has been leaning toward the tried and true method of written scripts instead of computerized scripts. Eva Roman of Campaign Communications Inc., a large outbound telemarketing agency, said "A year ago, we were considering the installation of a computer system. But, just when we were ready to begin, our consultant told us not to do it."

Roman's consultant, Art Blumenfield, president of Blumenfield Marketing, designers of telemarketing computer systems, explained, "Computer scripting looks very efficient at first. When a caller starts out with a new sales campaign, the system walks him through the entire process. But after a whole day of calling, the script is memorized and the system doesn't contribute any longer. Rudy Oetting, president of Telephone Marketing Resources, another telemarketing agency agreed, "We looked at it, but it seems to subvert the power of the medium. Telemarketing is one human being communicating with another and the computer seems to get in the way."

MAY, 1985

PAPER MERCHANT SALES REPORT

NPTA Region	Sales Per Selling Day May 1985 - Compared To - May 1984	Sales Per Selling Day May 1985 - Compared To - April 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of May 1984	Days Outstanding (Accounts and Notes) At Close of May 1985	Calendar Day Cost* of Ending April Inventory 1984	Calendar Day Cost* of Ending April Inventory 1985
INDUSTRIAL							
1	– 2.9	– 2.4	+ 1.9	44	35	—	49
2	+ 2.2	+ 3.8	+ 1.6	37	33	56	72
3	– 0.1	+14.8	+ 2.6	38	36	69	61
4	+ 2.3	+ 6.6	+ 2.3	37	37	57	51
5	+ 1.1	+ 2.9	+ 2.7	34	34	62	60
6	– 2.7	+ 4.3	– 9.1	40	40	—	—
7	+ 0.2	+ 3.1	+ 3.2	39	35	56	58
NY	+17.0	+ 5.9	+ 9.3	43	38	—	—
Chicago	+ 8.3	+ 5.6	+ 4.1	38	36	—	—
LA	+ 0.1	+ 4.9	– 2.1	51	47	59	54
US	**+ 2.0**	**+ 6.0**	**+ 2.5**	**39**	**37**	**59**	**57**
PRINTING							
1	– 2.2	–10.4	+12.5	50	50	—	—
2	– 5.1	– 3.5	+ 3.5	45	41	62	45
3	+ 4.4	+14.3	+ 8.7	42	42	91	80
4	– 4.7	–10.2	+ 4.6	42	40	70	64
5	– 4.8	– 3.9	+ 3.8	45	39	85	78
6	– 5.9	+ 6.0	+ 0.7	40	39	—	—
7	– 1.4	– 0.2	+ 7.7	40	38	84	76
NY	–11.3	– 6.1	– 2.3	44	38	—	—
Chicago	– 1.2	– 1.0	+ 3.0	42	41	—	—
LA	+ 3.1	+ 0.2	– 2.0	43	42	84	86
US	**– 3.7**	**– 2.9**	**+ 3.8**	**43**	**41**	**79**	**69**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

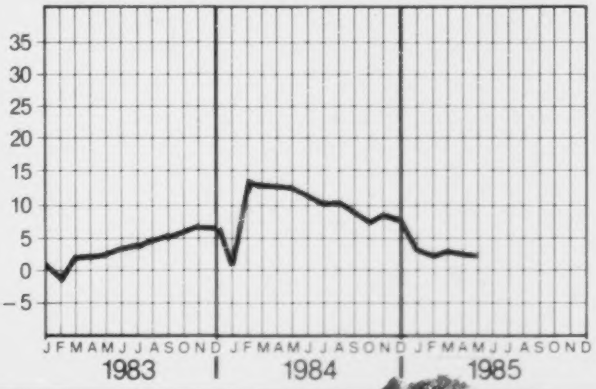
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

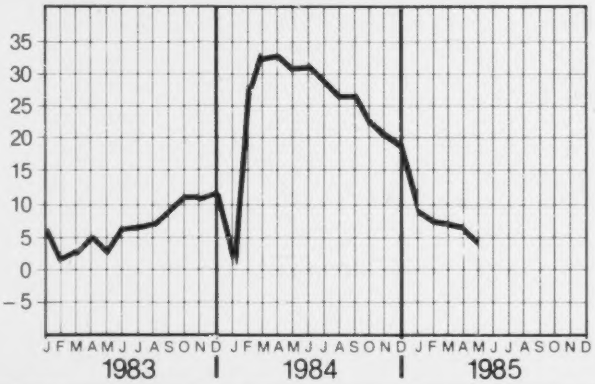
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



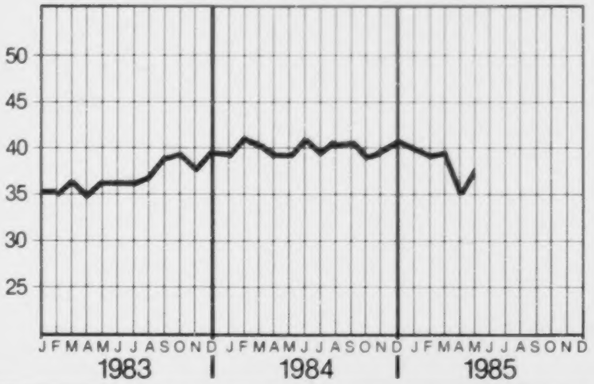
PRINTING PAPER SALES NATIONALLY



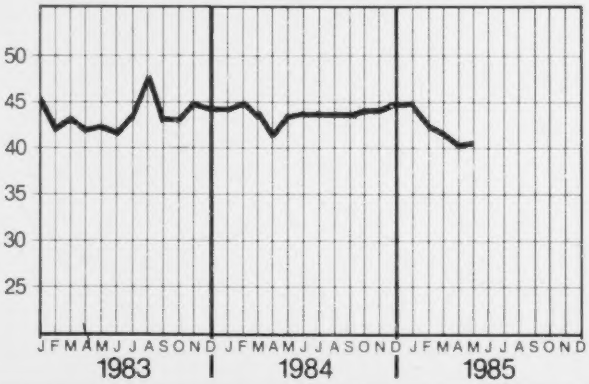
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



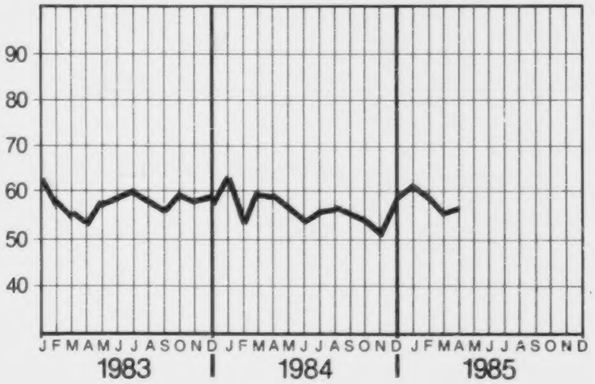
PRINTING PAPER RECEIVABLES NATIONALLY



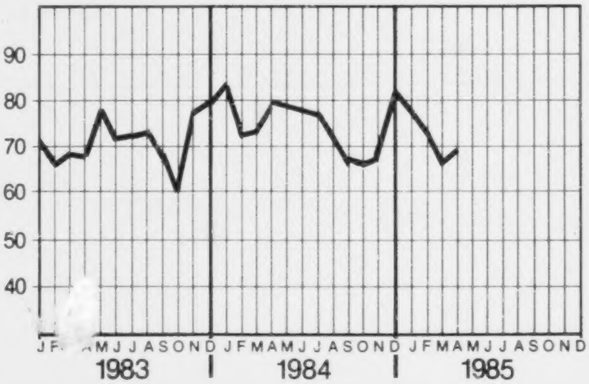
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



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IMPROVE THE EFFICIENCY OF OPERATIONS—
Rapid on-line access to information allows questions to be answered while the customer is on the phone. Information changed in one area is automatically changed for all other areas; all of your people see the same information. Warehouse paperwork is created in picking sequence and only items available in stock are indicated as being available to be picked.

REDUCE INVENTORY INVESTMENT—
Buy the right items at the right time in the right quantities; PAPERSOFT forecasts sales based on demand history, as distinct from sales history, and uses historic leadtimes, costs, and current stock status information. Accurately record all inventory transactions; PAPERSOFT handles all the quantity conversions, order history, backorders, and lost sales. PAPERSOFT provides turn reports and allows both cycle and wall-to-wall physical inventories.

IMPROVE CASH FLOW—
PAPERSOFT automatically sends "over credit limit" orders to the credit manager for approval. Also, with PAPERSOFT you can send invoices with the shipment or create them the same day as shipment for mailing. And because all the pricing, amalgamations, taxes, and totals are done by the computer, invoicing errors are practically eliminated.

ENHANCE MANAGEMENT CONTROL—
PAPERSOFT provides inventory, sales, purchasing, or accounting information in a timely manner, accurately compiled, and with minimum effort. Ad Hoc reporting features allow you to see this information in the manner that is most useful for your specific evaluation and decision making.

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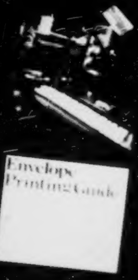
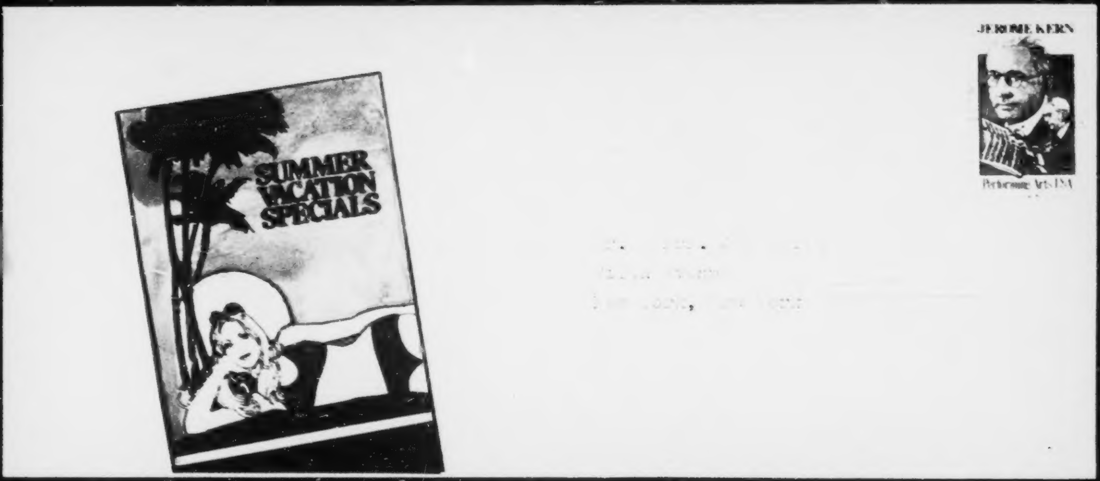

Envelope Printing Guide

New York Envelope Group
Long Island City,
Union NJ (Champion Envelope)
and Brooklyn (Envelope Convertors)

National Envelope Group
Austell GA, Worcester, MA
St. Louis, MO, Lenexa, KS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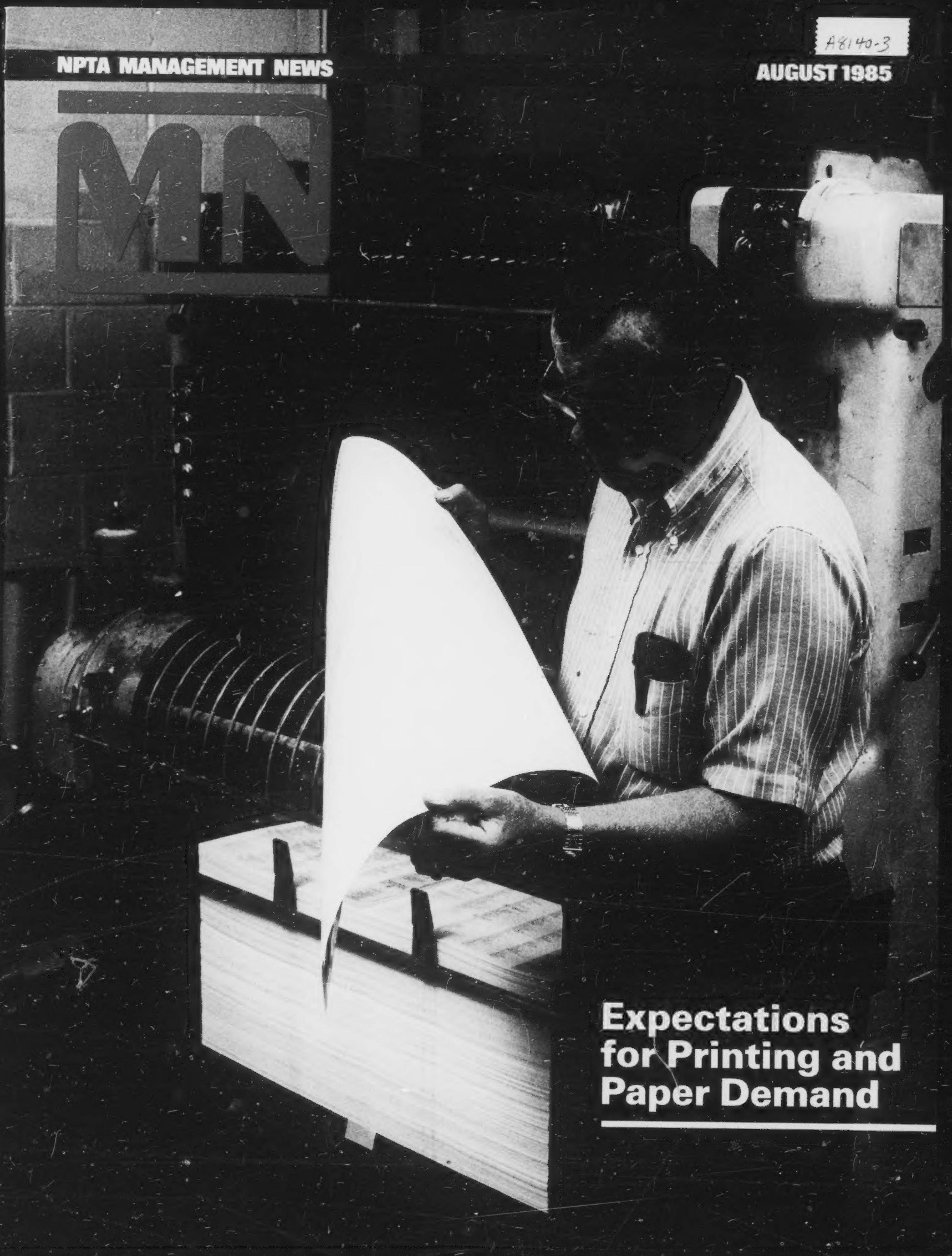

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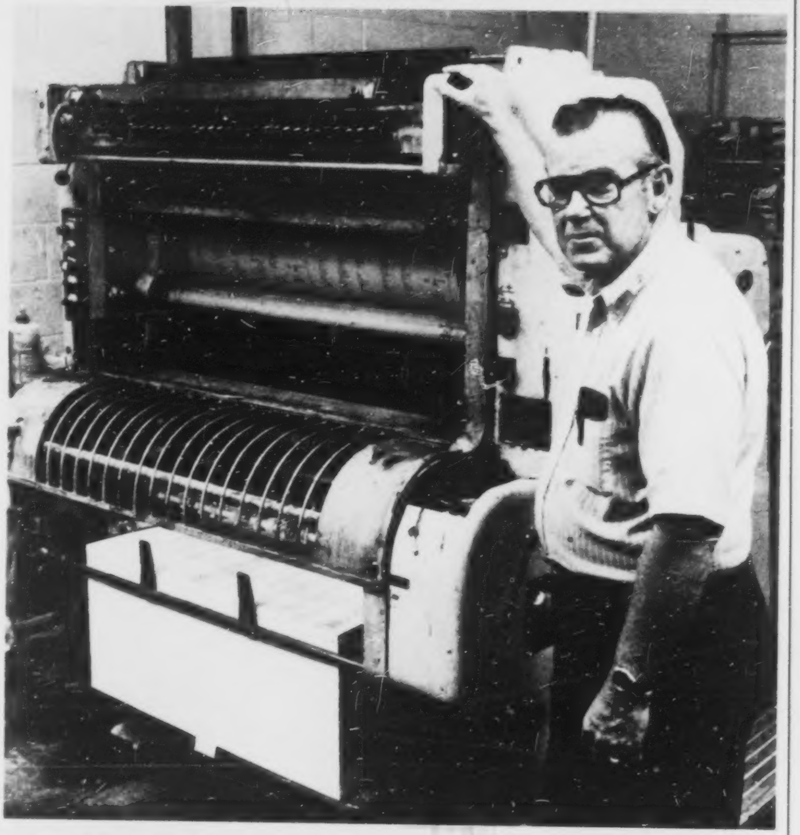

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Cover Photo: Ben Asen

NPTA WELCOMES 15 NEW MEMBERS

It was with great pleasure that NPTA president John J. Buckley, Jr., welcomed 15 companies to the ranks of its membership:

Bellervie Paper Company
5826 South Broadway
St. Louis, MO 63111
Harry W. Tretter, Jr., President
established: 1982
type: industrial
location: 1

Capital City Paper Company
1212 Stevenson Drive
Springfield, IL 62708
Bob Bunn, President
established: 1912
type: dual
location: 1

Cassiday Cosgrove Distributors, Inc.
120 S. Greenwood Street
Spring Valley, IL 61362
John Cosgrove, President
established: 1950
type: industrial
location: 1

Image Supply Inc.
2114 N. Cedar Street
Lumberton, NC 28358
David L. Edge, President
established: 1976
type: industrial
loation: 1

Krasny Supply Company, Inc.
538 Milwaukee
Chicago, IL 60622
Irving Naiditch, President
established: 1979
type: industrial
location: 1

Michigan Paper Company
3155 W. Big Beaver Road #121
Troy, MI 48084
John V. Bonander, President
established: 1983
type: printing
location: 1

National Paper & Packaging Inc.
70 Franklin Avenue
Brooklyn, NY 11205
Martin Schlesinger, President
established: 1979
type: industrial
location: 1

Paper Mills Agency, Inc.
1213 First Avenue South
Seattle, WA 98134
John F. Bradley, President
established: 1924
type: printing
location: 1

Penn Jersey Paper Company
2801 Red Lion Road
Philadelphia, PA 19154
Thomas R. Furia, Sr., President
established: 1963
type: industrial
location: 1

Polyplast Group Inc.
9210 NW 12th Street
Miami, FL 33172
Robert K. Ruland, General Manager
established: 1983
type: industrial
location: 1

Star Paper Company, Inc.
133 Hale Street
Haverhill, MA 01830
Nicholas Peterson, President
established: 1936
type: industrial
location: 1

The Stevens Company
6550 Okeechobee Boulevard
West Palm Beach, FL 33411
Louis A. Stevens, President
established: 1955
type: industrial
location: 1

Thompson Merchandising & Supply
5600 6th Avenue South
Seattle, WA 98108
Dick Thompson, President
established: 1970
type: industrial
location: 1

Wegbreit & Associates, Inc.
3420 E. Sheat Boulevard
Phoenix, AZ 85028
Norman Wegbreit, President
established: 1982
type: dual
location: 1

Whitaker Carpenter Paper Company
2651 Carl Boulevard
Elk Grove Village, IL 60007
T. Washburn, President
established: 1886
type: printing
location: 1

WESTERN PAPER ACQUIRES BEACON

Western Paper Company, a division of Hammermill Paper Company, announced the acquisition of Beacon Paper Company, St. Louis, MO.

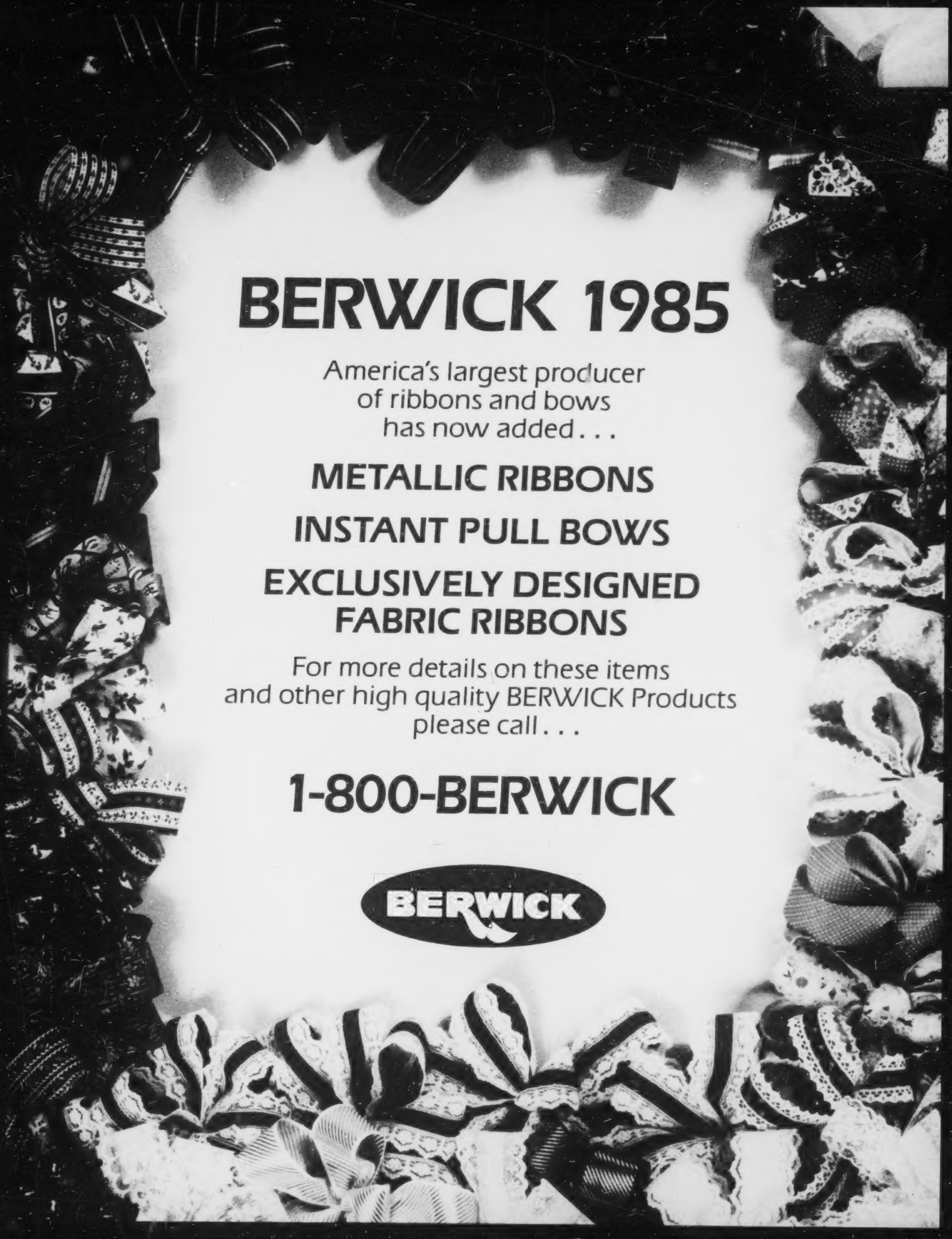
Beacon Paper Company has been a major printing paper distributor in St. Louis for 75 years, and has three retail outlets in addition to its main warehouse.

Thomas A. Fascetti will continue to manage the company and will report to W. R. Hearshman, president of Western Paper Company, Overland Park, KS.

OK IS OKAY WITH O.K.

On July 15, 1985, OK Papers, headquartered in Franklin Park, IL, celebrated its 40th birthday. And that's okay. Especially if one were to ask O.K. Sensenbrenner the company's founder.

As one of Chicagoland's paper distributors serving the school, industrial and hospital industries, OK is quite proud to be located at the geographic center of the Chicago distribution market. And O.K. has stood at the center of his company for 40 years after having spent 13 years with the Marathon Corporation. Company longevity abounds with examples like Bob Sensenbrenner at 39 years, John Peel with 33 years, Gene Siwinski having 29 years and Lester Prisk with 20 years. Okay? OK.



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BERWICK

SCOTT ACQUIRES HOFFMASTER

Scott Paper Company announced that it has acquired the Hoffmaster Company, Inc., a manufacturer of napkins, placemats, tablecovers and other products for the away-from-home foodservice market. The Oshkosh, WI firm also markets a line of consumer plates and plastic utensils.

Scott chairman and chief executive officer Philip E. Lippincott said the acquisition of Hoffmaster, which recorded sales of nearly $50 million in 1984, is an important step in Scott's growth strategy to build its position in the expanding away-from-home foodservice market.

"Total consumer spending for food service," Lippincott said, "is expected to continue its substantial growth. People eating meals away from home and a maturing population will sustain and accelerate the trend toward the use of better quality napkins, placemats and other tabletop products."

Lippincott explained that Hoffmaster is particularly well–positioned to take full advantage of these demographic trends. "The company is a recognized quality leader in manufacturing, marketing and selling high quality specialty products to the foodservice industry," he said. "Its distinctiveness centers on excellence in creative design capabilities, new product development and customer service.

COPCO OPENS PAPER PLUS STORE

The new Paper Plus store in Southfield, MI is the first of several that Copco will open during 1985. A second store is targeted for a mid-summer opening in Sterling Heights, MI.

According to Kirk Buckham, vice president of marketing–information products, the Paper Plus store is designed to serve the small to medium-size businesses in convenient suburban locations. The cash and carry stores will stock a wide variety of fine papers, as well as related products, including graphic art supplies, office products, school supplies, industrial and janitorial items and word and data processing supplies.

"Through this new marketing service," says Buckham, "Copco is able to offer both economy and convenience to businesses and institutions that buy in smaller quantities."

EARLY PAPER MACHINE MODEL GOES TO D.C.

A working half-size model of the earliest papermaking machine, first presented in France in 1798 by Nicholas Louis Robert and the direct ancestor of the massive papermaking equipment in use today, has been donated to the National Museum of American History of The Smithsonian Institution and is now on public exhibition at the Museum's Hall of Graphic Arts, in Washington, D.C.

This, according to a recent report in *Printing News,* is a model that was commissioned by Leonard B. Schlosser, chairman of Lindenmeyer Paper headquartered in New York City. It was given to the museum to commemorate the company's 125th anniversary.

TWO MERCHANTS JOIN IPAC

Intercontinental Paper American Coverage, Inc. (IPAC) has specialized for 18 years as a mill rep to the U.S. market for leading printer paper mills in Scandinavia, England, Europe and South America.

They announced that two former Blake,

EVENTS

AUGUST

25–27. *Institute for Graphic Communication's Advances in Impactless Printing, Holiday Inn on the Beach, Monterey, CA. For more information regarding IGC Conferences call 617–267–9425.*

26–28. *The Keys to Growth as a Sales Manager, New York, NY Contact NPTA.*

OCTOBER

5–8 *NPTA's Annual Convention and Exposition, New York Hilton, Sheraton Centre Hotels, New York, NY. Contact NPTA.*

23. *Managing Customer and Product Line Profitablity— A Key to Survival and Growth in the 80s., Los Angeles, CA. Contact NPTA.*

24. *Print Pacific '85, San Mateo Expo Center, San Francisco, Ca. For more information contact Dwight Mitchell, show manager, 415-962-8976.*

28–11/1. *Printech Week, Rochester, NY. Contact NPTA.*

NOVEMBER

6–8. *Trends in Paper Distribution Computerization Conference, St. Louis, MO. Contact NPTA.*

10–15. *Paper Distribution Management Development Program, Oxford, OH. Contact NPTA.*

18–19. *The second uncoated groundwood papers conference, Waldorf-Astoria, New York, NY. For more information contact: David R. Allan, Pulp & Paper Seminar Department, 212–683–9294.*

19–20. *Successful Inventory Management for the Wholesale Paper Distributor, Seattle, WA. Contact NPTA.*

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Moffitt & Towne paper merchants have joined their staff. William C. Anderson, previously vice president, printing papers for BM&T has been named executive vice president of the company. He will also manage their new San Francisco office. Michael de la Cuesta has been appointed vice president, marketing services. He previously held the position of general merchandising manager, printing papers at BM&T.

Russell D. Liska, president and CEO of IPAC, said that "The addition of these two veteran printing paper executives brings to IPAC a wealth of professional paper mill and merchant experience that, coupled with the new San Francisco office, permits IPAC to offer significantly expanded national coverage on behalf of its several offshore mills to the American printing paper merchant industry."

NPTA BOARD NOMINATIONS OPEN

The National Paper Trade Association announced that nominations will be accepted for elections to its board and executive committee through September 15, 1985. Nominations should be made in writing giving background on the nominee and forwarded to Lionel Eltis, nominating committee chairman, National Paper Trade Association, 111 Great Neck Road, Great Neck, NY 11021.

The election will take place at the Association's Annual Business Meeting, October 6, 1985 during the NPTA Convention. Terms of office run from convention to convention each year.

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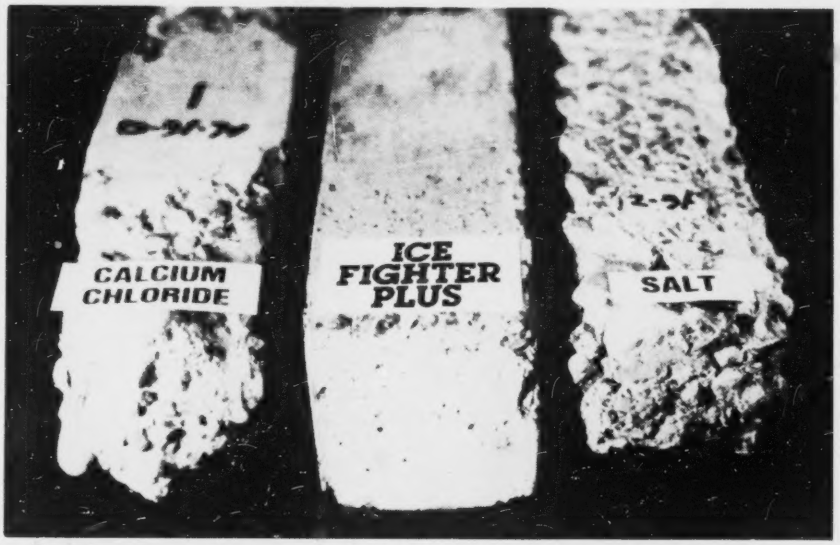

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BRADNER OPENS PACIFIC PAPERS

Bradner Central Company, Chicago, announced the formation of Pacific Papers Unlimited, a new full-service paper distributor serving the paper needs of the business forms industry in the Los Angeles, California area. The opening, July 8, 1985, activated the office and warehouse facilities at 4550 Maywood Avenue, Vernon, CA.

William B. Mangold, president of the new division of Bradner Central, states, "Business forms manufacturers in Southern California and Arizona now have immediate access to well-known paper sources plus a new line of register bond, a new source of carbonless papers, fast delivery, and special roll sizes."

Bradner Central Company, 133–year old privately held paper company, includes Bradner Smith & Company, a Chicago-based distributor of fine papers since 1852; Diameter Paper Company, Atlanta, GA, and Rotary Paper Manifold Company, Schiller Park, IL.

PEOPLE IN THE NEWS

Fredric A. Bennett has been appointed executive vice president of Ris Paper Company's New York Division.

John Kowpak has been named manager-corporate data center of Monarch Paper Company of Houston, TX. **Mike Borth** has become sales manager-fine paper for the company's Houston Division, and **Ray Cannon** has been named merchandise manager. In Austin, Monarch named **Forrest Shade** as customer service manager.

Charles A. Thompson has been elected vice president and general manger of the Oklahoma City operation of Butler Paper. **Tom Tyler** has become branch manager in Sherman, TX for the company and **Colby Mulligan** has been named vice president and division manager of Butler's Chatfield Paper's Providence, RI operation. **Craig Anderson** has been named vice president and general manager of the company's Little Rock, AR operation.

Richard F. Bartman has been promoted to branch manager of the Menomonee Falls, WI distribution center of Inlander-Steindler Paper Company. **Michael F. Sigward** has been relocated by Mead Merchants to Nashville to manage the companies houses in Nashville, Memphis, Birmingham, Chattanooga and Knoxville. This comes as a result of the merger of Meads Southern and Central Areas. **Elliott R. Ingram** has been appointed vice president-general manager in Indianapolis.

Barbara J. Trapani has been named marketing manager of J.B. Papers in Union, NJ.

E. Walter Evans, formerly Dallas Regional sales manager, of Champion International, has joined WWF National as vice president-sales for the Southwestern United States.

Bruce Kay, Ray Giusto, Vince Cartelli, Al Murray, Ted Bielen and **Jim Slattery** of George W. Millar & Company in New York City were six of the top 30 sales people nationwide in a recent Hammermill Papers Group promotion.

Richard J. Carota has been elected chairman of Finch, Pruyn. He will continue as president and CEO. **John A. Sheldon** has been named vice president, purchasing of the company.

Coleman R. Larlee has been appointed vice president, publication papers for Champion International.

Terrance N. Pendleton has been named vice president, sales for Nekoosa's Great Northern Paper Company.

Ashok N. Bakhru, former vice president and treasurer, has been promoted to senior vice president and chief financial officer of Scott Paper Company. **Ronald P. Gray** has been named corporate vice president, human resources and **Darwin A. John** has become corporate vice president and chief planning, development and information officer.

Kenwood C. Nichols has been named senior vice president of Champion International and **Michael P. Corey** has become vice president corporate planning of the company.

Alan L. Rowland has been appointed director of marketing services/planning for the Curtis Paper Division of James River. **Dennis S. Perrotta** has been named New England regional manager and **James B. Wayman** has become director of market development.

Robert Boyd has been chosen "salesman of the year" for the Georgia-Pacific Corporation's bag and sack division.

Curtis Carr has joined the Carroll Company as regional sales director.

David M. Worth, vice president of Shamrock Gravure Products has won the 1985 International Paper Company's "American Eagle Crystal Ball Award" for accurate economic forecasting of business conditions.

Richard O. Gall has been elected president and general manager of Schoeller Technical Papers, Inc. a Mead affiliate located in Pulaski, NY.

Jack Marvin has been named to the new position of director of sales-foodservice for The Fonda Group, Inc.

Ronald J. Musolino has been named manager of sales and market development–Western Region for International Paper Company.

James G. Crump, Jr. has been named president of Great Northern Nekoosa's Nekoosa Papers division.

Richard E. Olson has been named vice president, printing and writing papers for Champion International.

William C. "Pete" Howard has been appointed vice president, Southern operations for Nekoosa Papers, Inc.

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PRINTING PAPER

PRINTING BROKERS ORGANIZATION FORMED

New executive director Geoffrey F. Caldwell recently announced the formation of the Printing Brokerage Association (PBA). The PBA, headquartered in Arlington, VA, will provide a central source of information on qualified printing brokers and printers in the U.S. and Canada.

"Nearly half of all printing sales in this country are generated through printing brokers," Caldwell said, "and there are more than 3,000 brokerage firms operating in North America. Few people in the industry are aware of the positive effect of printing brokerage toward more profitable sales."

The PBA will provide broker members with detailed information on the physical (plant) capabilities and product specialities of highly qualified printers. The PBA printer members (associate) will receive easy access to a multi-national, extended sales organization of printing brokers. All members will have access to private research, video training and consulting services. Both printer and broker members will meet stringent standards of experience, quality and ethics. PBA's auxiliary activities will include regional conferences and seminars, publication of industry trends, and statistics.

Assisting in the coordination of the PBA is Glenna T. (Jackie) McWilliams, formerly the executive director of Printing Industries of America's Association of Graphic Arts Consultants. Members of PBA's Charter Advisory Board are: Robert Craft, Sr., Craft Press Printing Brokers; Michael Gerson, The Gerson Organization; Darr Kartychak, Intermedia Consultants, Inc.; Robert M. Levine, Robert M. Levine, Inc.; Cap Mattie, Mattie Graphics; Harry May, Printing and Graphics; Dana Monosoff, Dana Monosoff and Associates; and Harry Rowley, Graphic Management Systems.

PRINTERS SEE PAPER INVENTORY LEVELS DROP

Printers' inventory of paper continued to decline during the first quarter of the year, reported the National Association of Printers and Lithographers. The drop of 3.5 days to an average of 27.4 days of paper on hand in printing plants was a result, printers said, of the greater availability of paper.

Production sources in the magazine publishing industry reported to NAPL that the "paper crunch" had eased during the first quarter of the year but they did not expect this situation to last for the rest of 1985. They felt that the situation was "comfortable but fragile" at best and that serious paper problems could happen overnight.

Although magazine production personnel felt they had enough paper, printers surveyed by NAPL reported that obtaining coated publication grades was still a problem. On the other hand, they said that most commonly used papers were readily available.

PRINTING INDUSTRY ORDER BACKLOG COMPARISONS

	Comparison First Day of 2nd Quarter 1985 to Last 6 Months and to All-Time High — Average Backlog in Days				1984 versus 1984 Historical Comparison — Backlog on April 1, 1985 versus April 1, 1984		
INDUSTRY GROUP	OCT. 1	JAN. 1	APRIL 1	Record High§	MORE	SAME	LESS
All Groups*	18.0	16.4	13.1	18.0	17%	24%	59%
Sheetfed	14.5	14.1	11.6	17.3	19%	22%	59%
Heatset Web	33.6	31.4	25.2	35.0	14%	22%	53%
Non-heatset Web	16.8	18.7	12.3	22.8	17%	13%	70%
Business Forms†	9.7	15.9	9.6	19.9	12%	44%	44%
Quick Printers	4.7	5.4	2.6	5.4	5%	47%	48%

§Highest reported backlog 1980 through 1st Quarter 1985, inclusive.
*Excluding Quick Printers.
†Information for companies that produce business forms as a secondary (not a primary) product.
Source: National Association of Printers and Lithographers

TREND TAPES AVAILABLE

The National Association of Printers and Lithographers has two new tapes available in the "Graphic Arts Journal in Sound" series: *Printcasts '85* and *TechTrends.*

Printcast '85, the fourth in the series, probes the ten major "PrinTrends" currently posing challenges and opportunities for printing management. It includes detailed analyses of trends vital to informed decision-making for both short– and long–term planning. Discussed are the new technologies impacting the industry, the growing importance of marketing effectiveness, improving productivity through cost effective technology, and flexography as a new imaging process competitive to offset.

TechTrends is an audio-tour of PRINT '85, April's record-breaking exhibit held in Chicago. The tape is an analysis of the productivity implications of the technology introduced at the gigantic show, by far the largest in U.S. graphic arts history. Analyst William C. Lamparter, an NAPL non-resident consultant, reviews and weighs what PRINT '85 revealed as the industry's technological *status quo* from both its benefit and dilemma perspectives—the negative and positive aspects of "the substitution of capital (in the form of machinery) for people." As informative for those who attended PRINT '85 as for those who did not, *TechTrends* offers a cornucopia of expert insights.

The tapes are available through NPTA's Communications Department at $14.95 each. Call 516-829-3070.

INDUSTRIAL PAPER

NPTA TO PRESENT PACKAGING SYMPOSIUM

NPTA's Industrial Paper Division Committee announced that it will present a special symposium on packaging as it's first "Product Specific" Symposium. The *Packaging Symposium* will be held in Chicago October 30–31, 1985. Future symposiums will deal with other important product areas of the industrial merchant's business such as food service and health care disposables.

This first *Packaging Symposium* will feature industry experts as well as university representatives who will discuss many vital issues dealing with this important part of the industry. The topics have been chosen for individuals who have had previous experience in packaging, such as sales personnel, sales managers and of course principals of companies. The goal of this symposium is to provide valuable information that is applicable to the day-to-day practices in the industrial packaging business.

NPTA INDUSTRIAL PACKAGING SYMPOSIUM
OCTOBER 29–30, 1985
O'Hare Hilton Hotel, Chicago, Illinois

SCHEDULE OF EVENTS

October 29, 1985

Arrival

October 30, 1985

7–7:30 am	—Breakfast on your own
7:30 am	—Registration
8:00 am	—Opening Remarks—Francis J. Houlihan, President, Fleetwood Paper Co., Chairman, NPTA Industrial Paper Division Committee
8:15 am	—3M & THEIR PACKAGING NEEDS, William Petryk, 3M Director of packaging
9:30 am	—TESTING PROCEDURES FOR PAPER IN THE PACKAGING FIELD—Walter A. Wozniak, President, Chicago Paper Testing Laboratory
12:00 Noon	—Lunch
1:00 pm	—PRODUCT LIABILITY IN PACKAGING—Mike Weir, NPTA Legal Counsel
2:00 pm	—TRENDS IN PAPER PACKAGING—Donald L. Abbott, Michigan State University School of Packaging
6:30 pm	—Reception
7:30 pm	—Dinner on your own

October 31, 1985

7–8:00 am	—Breakfast on your own
8:00 am	—TECHNIQUES OF PRINTING ON INDUSTRIAL PACKAGING—Luther Rogers, Thilmany Paper Company
9:30 am	—CUSHIONING MATERIALS USED IN INDUSTRIAL PACKAGING—Chester Gaynes, Technical Director, Gaynes Testing Laboratories, Inc.
12:00 Noon	—Lunch
1:00 pm	—THE INDUSTRIAL FLEXIBLE PACKAGING WORLD: Yesterday, Today & Tomorrow—Mr. Frank G. McDermott, Senior Vice President, Ludlow Corp.
2:30 pm	—PLANNING YOUR STRATEGIC ATTACK INTO PACKAGING—speaker to be announced
4:30 pm	—Departure

Registration materials will be mailed to industrial and dual members and will also be available during the NPTA Convention & Exposition in New York, October 5–8, 1985.

PACKAGING MAKES PERFECT

Sturdiness and dependability are the qualities restaurateurs and store owners seek in takeout packaging. According to an article in the April 3rd issue of *Restaurants and Institutions*, the surging market for prepared food "to go" demands container that will not leak, spill or allow grease to seep through during the trip home. "I can't tell you how many people love our packaging because it's so sturdy," says Gary Mitchell, owner of S&S Restaurant & Deli in Cambridge, MA.

Style and versatility are also important. Foodservice operators use matching colors and patterns, logos, and distinctive designs as marketing tools. Russ Lewis, UCLA purchasing agent, considers "how many ways you can use the same particular plate," according to the article.

Barb Utke, vice president of administrative services of International Food Management in Buena Park, CA, reported that patterned disposables increased the efficiency of cashiers at inplant cafeterias by allowing faster identification of food items. In addition, she says, the containers helped keep food neater and at the right temperature.

Expectations for Printing and Paper Demand

A fresh look at the demand for printing, paper, and mill capacity projections. This study provides insight into the changing market for printing papers.

Ask a printer what concerns him most about the future and his answer might be in the form of a question, "Will I be able to get enough paper?" It is clearly the most important element in the creation of his products. To run the press, he requires paper to run. The delicate balance between demand for printing and paper availability is constantly weighed and tested by paper merchants. They want to know what is changing on both fronts to understand better how their service to customers must be delivered.

Note: In no way can one article answer all the merchants' questions about what the future holds in printing demand or paper availability. But what can be learned is the latest information available on the subject. The reader must choose for himself what is important; see how this data fits his marketplace and his understanding of the industry served.

Paper

The speculation about the future availability of paper has always been in question. What merchants had seen in the past 18 months was the continuing growth in coated paper demand, while the call for uncoated grades has leveled off. As the economy heated up in 1984, the demand drove mill operating rates to near-maximum capacity. Why? Because printing, lagging six to nine months behind the economy,then took off quickly and the paper mills had to play catch-up.

The renewed demand for printing and paper in 1984 brought great quantities of paper in from overseas. As reported in the March issue of *MN*, coated paper imports grew from 162,000 tons in 1983 to 427,000 tons in 1984—an increase of 176%. And uncoated imports grew 113%. The single most important factor uncovered in that article was that European paper manufacturers were then saying that they were "here to stay."

European mills are allocating part of their production for the American market and they are saying that this will not change even if U.S. paper manufacturing grows. European mills have added capacity showing a greater reliance on exports. Some experts say that exchange rate differentials between the dollar and the currencies of the major paper trading countries will remain at the same basic level for the next three years. What this could mean in the future is more aggressive marketing in the United States on the part of European paper mills and their U.S. distributors to keep the demand up for their products.

U.S. paper manufacturers' plans for adding additional capacity went on hold during the last recession but were revitalized as the economy turned around. The American Paper Institute reports that (as of June 11, 1985) capacity increases in all coated grades will be significant in 1987. Total domestic coated capacity will grow by nearly one million tons by then. Uncoated grades are growing much more slowly.

Other research organizations are studying the paper availability question carefully from a number of vantage points. Data Resources, Inc. (DRI) has published "The U.S. Regional Printing and Writing Paper Study." The report is a grade–by–grade analysis of end markets, competition, pricing and investment returns. Among its findings are:

1. The printing and writing paper market will be one of high growth and should exceed the growth rate of the U.S. GNP through 1995. Demand for printing and writing paper will grow to about 27 million tons by then representing an average annual growth rate of 4%.
2. Coated papers are still the most profitable place to invest in the fine paper sector, states DRI, and will be a high growth market showing less susceptibility to overseas competition.

3. Investment in new uncoated free sheet capacity does not have as high an internal rate of return as does coated papers, despite the cost advantage that a new uncoated free sheet mill has over the average costs of existing producers.

The Paper And Printing Outlook Report (PAPOR), published by Strategic Futures, Inc. (SFI), holds another view of the future. The report agrees that many offshore paper suppliers have made a lasting penetration into the U.S. market. But they say that American paper manufacturers are concerned that if the dollar continues to strengthen against European currencies, this will further reduce the ability of U.S. producers to generate the revenue necessary to obtain new capacity funding.

One highlight of the report was the great strides made by super calendered (SC) papers. They predict that SC grades will be consumed in the United States at the rate of one million tons per year by 1987.

SC papers have long been considered a "stepchild" to coated paper grades. But now SC has emerged to become the sixth major printing paper grade. Many paper end-users are joining the chorus of believers singing the praises of SC papers. Why? Because supercalendered papers, at times, can be substituted for coated papers, and with the growth in color printing in general, print buyers are moving up from ordinary uncoated grades.

There are basically three SC grades available in the U.S., states SFI. These are: STANDARD SC—the premium end of the line; MODIFIED SC—a step below Standard; and MODIFIED SC COMPETITORS—these are the lowest quality of the three. All SC grades are growing quickly for use in newspaper inserts, catalogs and direct mail pieces, reports SFI, and these grades will continue to benefit those users who are trading up.

Printing

It has always been said that printing follows the GNP. But it is interesting to note that printing has done better than the economy of late—showing real growth of 1-2% better than the GNP. Why is that? Industry experts seem to think that the real growth in the GNP is occurring in the service sector. "Clearly," states William C. Lamparter, president of the Printcom Consulting Group, "printers that are providing ink on paper to the service sector of our economy are doing better than those servicing heavy industry."

Paper merchants must heed signs such as these. As the economy changes, so does the marketing of paper. Many clues to the future could be found at the PRINT '85 show held last Spring in Chicago, Lamparter said. In addition to the typical displays of presses and bindery equipment, the number of computerized front-end systems in evidence was staggering. But what does this mean to the paper merchant? Not much more than the computer invasion on the surface. Hidden behind the computers was the fact that computerization, the use of lasers, full-page make-up systems and the like are all allowing the inplant printer to take over a greater percentage of his own printing responsibility. Black and white printing appears to be moving out of the traditional printshop and is following the office copier. And the new user of these electronics may not even be the typical inplant operator. The marriage of the computer and copier is making unlikely people into publishers and printers.

This means that commercial printers are providing more color services as they leave their black and white work behind. They are using more coated and supercalendered papers to support that color. Without writing off the black and white printing, the merchant must track where that offset volume is going. It is being spread out to harder to serve, smaller offices around the country and being used more and more by people who do not call themselves printers.

Printing & Writing Paper Capacity
(M Tons)

	Unctd. Free	Coated			Unctd. Grwd.	Total
		Free	Grwd.	Total		
1983	9354	2473	3522	5995	1710	17059
1984	10083	2704	3701	6405	1693	18181
1985	10559	2849	3744	6593	1710	18862
1986	10915	2910	3833	6743	1712	19370
1987	11187	3244	4302	7546	1713	20446
		% Change From Previous Year				
1984	+7.8	+9.3	+5.1	+6.8	−1.0	+6.6
1985	+4.7	+5.4	+1.2	+2.9	+1.0	+3.7
1986	+3.4	+2.1	+2.4	+2.3	+0.1	+2.7
1987	+2.5	+11.5	+12.2	+11.9	+0.1	+5.6

Source: *American Paper Institute, (as of 6/11/85)*

On the standard commercial printing side, there are a number of factors that are propelling print growth, reports Strategic Futures. The changing economy is generating, at present, a greater need for printed communication. These changing factors include:

1. The growth of user-friendly software for

personal computers continues to drive the need for computer terminal printers. These printing devices, for example, are generating a need for multi-color printed continuous form paper. Further, the new developments in software and hardware are creating a demand for books, magazines, directories, manuals, direct marketing materials, point of purchase advertising, and other print advertising. This should not be overlooked. There are hundreds of computer magazines available today and the oldest of these recently celebrated its 10th anniversary.

2. There is a drive to segment markets into finer and finer demographic and psychographic cells. This has been fostered through the greater sophistication of mailing list managers. Thus, marketing sophistication in general is growing and is becoming an important part of how newspapers, magazines, directories and free community weekly newspapers are being sold.

3. This trend toward more targeted marketing has provided printed communications with one of its clear long-term advantages over electronic media. Advances in automation within the bindery operation has allowed printers to further segment their output to give marketers the tools to reach both businesses and consumers more specifically.

4. The increased receptivity to print among major advertising agencies appears to be developing on several fronts. Many major advertising agencies have either established (or acquired) specialized direct marketing agencies to help their clients become more sophisticated in this area.

5. The increasing use of promotional advertising continues to drive the demand for coupon-related vehicles. Coupon redemptions by consumers have shown substantial increases during the past few years as advertisers have made greater use of four-color printing especially for those appearing in Sunday newspapers.

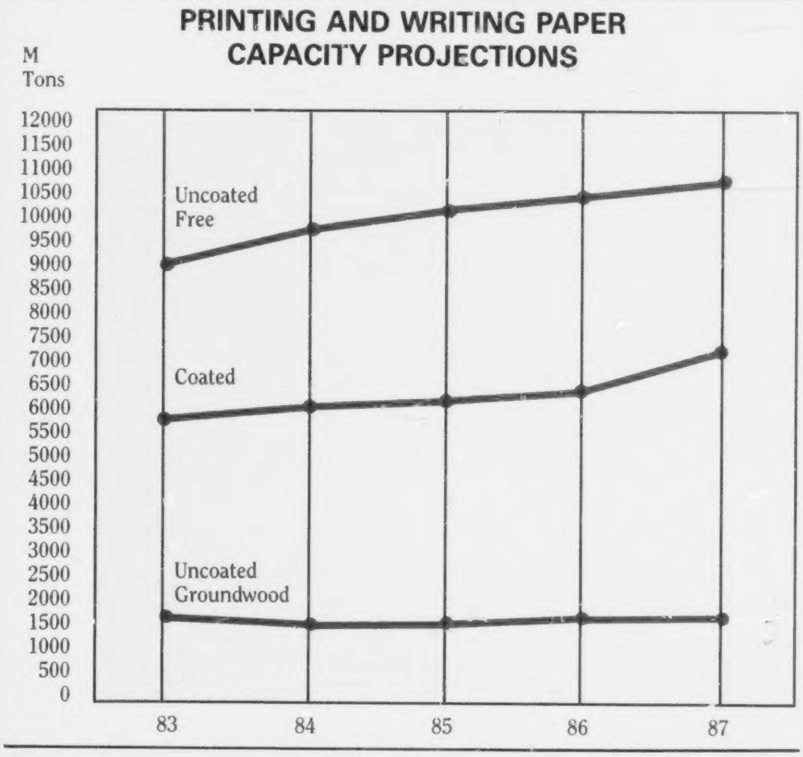
6. Upgrading of print quality continues to be evident in several markets, reports SFI. This shift to higher quality papers and aesthetics in the insert market represents the most important area for upgraded quality. Other areas where higher quality continues to be a factor include catalogs, directories, Sunday magazines and selected segments of the consumer magazine market.

7. The availability of an improved distribution system for the dissemination of the printed pieces is allowing many marketers to take advantage of the new-found channels for better communication—and in some cases, this is done with the development of advertising or subscription-supported vehicles to key customers or prospects.

8. The future actions of government legislation, reports SFI, is likely to lead to important changes in the demand for printed advertising. There is short-term concern for the future of tobacco advertising in print. On the other hand, a possibility exists for a future ban on beer and wine advertising on electronic media that would prove a boon to print.

The study of the demand for print and its impact on the need for paper is a never-ending one. Paper merchants must become students of the changing graphic arts industry of which they are a part. A little homework can turn a good marketing program into a great one...and a good company into an industry leader.

The American Paper Institute reports capacity projections periodically. This data is as of 6/11/85.



Printing Forecast

Strategic Futures has forecasted changes taking place in printing and production through 1990. Their report focused on two specific areas—consumer magazines and catalogs. The

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following are the major questions posed by their research:

- Printers may well find the bindery and distribution areas to be the industry's new competitive battle ground. What investments in equipment, systems and personnel should [should not] change?
- Consumer magazine publishers and catalog-using merchandisers will be scrutinizing major cost-saving options and new opportunities for targeted marketing. What will these be and how will these affect their suppliers?
- Suppliers of graphic arts products and distribution services may need to alter their products/service offerings to reflect the changing needs of the marketplace. How should these suppliers be responding?

The environment for dynamic change is in place:

- Increasing competition for reader/buyer attention and the maximization of sales per advertising dollar invested.
- Enormously growing use of computer applications and sophistication, as well as substantial technological advancements in bindery operations.
- Rapid changes in the prepress areas and enhanced efficiencies in the press room—putting even more pressure on improving the "back end" activities all the way through the delivery functions.
- Further government actions, such as the deregulation of the trucking industry, which has already occurred with potentially far-reaching results.
- Continuing cost-pricing pressures on buyers and sellers alike. Investments in the bindery and distribution activities can be huge, and the financial stakes are therefore equally high.
- The uncertainties of the cyclical United States economy, the paper availability outlook, etc.

For more information on these reports, contact: DRI, 24 Hartwell Ave., Lexington, MA 02173; and SFI, 595 Madison Ave., New York, NY 10022.

Why Have A Company Newsletter?

Moore Paper Company's newsletter, Moore Good News, began publication five years ago with the idea that because our company had grown in size a periodical produced by employees would be an excellent way for employees to learn about one another. It was also felt that it would be a good way to keep employees informed about scheduled events. I am happy to say that our newsletter has accomplished its goals, and more. I highly recommend this tool to any company.—Gregory C. Moore, vice president, Moore Paper Company.

Moore has more good people. That's what *Moore Good News* is all about. Having a company newsletter has been a tradition at Moore for about five years. We feel it is worth the time and dollars expended, since it promotes acknowledgement of personnel as well as company success. Plus, it shows our genuine care for our employees.

With 300 employees in our company and so many different departments and varied types of positions, sometimes it is difficult to know how to recognize them individually. Since we have pressmen and truck drivers as well as office personnel, a newsletter is a great way to give recognition to those who otherwise might go unnoticed.

Currently, each month, the managers of each department or area are given an opportunity to contirbute something noteworthy to the newsletter. Each is asked to forward some news about his group or some individual accomplishment. Birthdays, anniversary hire dates, new babies, marriages or promotions are all of interest to us and our readers.

The company "mission statement" includes a section stating, "Our greatest resource is our people" and our personnel director is instructed to hire above average people. Thus, our company newsletter would logically reflect that image—all of our employees are exceptional and all are valuable to us.

What works in putting together such a monthly publication seems to be to keep it simple. Stories need not be lengthy. A lot of different names and faces (traditionally only company employees) seems to be more important than a lot of words.

Interesting things can happen when doing a newsletter. Last month, one of our "sales reps of the month" declined an interview for an article about himself. Instead, he wrote a message in which he personally thanked each of the employees he works with for their team effort that resulted in the award. He then had his picture taken with all of them.

Still another employee, who was "employee of the month," could not be caught for an interview. This man had a wonderful sense of humor. Another employee also with a great sense of humor and a knack for writing was assigned the task of interviewing the winner. The result was a very cute *Playboy*-type interview.

At Moore, a visitor sees a lot of happy, smiling and friendly people who really like eachother. We believe our company newsletter encourages this spirit and thus increases productivity. Join us; it's worth the extra effort.

by Betty Hanagriff, editor
MOORE GOOD NEWS
Moore Paper Company
Houston, Texas

Starting A Company Newsletter

Here is a list of tips for anyone who might want to start a company newsletter.

1. Get feedback from all departments of the company.
2. Mention as many employees as possible.
3. Honor employees on all levels.
4. Promote good will rather than trying to sell.
5. Let the creative writers write it.
6. Let the artists in your company construct it.
7. Add a little humor.
8. Encourage thinking on a higher level.
9. Have some regular columns
10. Get it out on time. This lends credibility...employees will look forward to seeing it.
11. Have one executive level final editor.
12. Use new people on the staff to avoid "newsletter burnout."

NATIONAL PAPER TRADE ASSOCIATION, INC.

PREPARING FOR THE FUTURE

1 · 9 · 8 · 5

The Annual Convention
AND PAPER/PLASTICS AND ALLIED PRODUCTS
Exposition

October 5-8, 1985
New York Hilton-Sheraton Centre Hotels

Paper distributors from every state in the Union and 16 foreign countries will meet in New York for the major event of the year: NPTA's Annual Convention and Paper/Plastics and Allied Products Exposition.

Plan on being there for important workshops and seminars, a chance to meet the leaders of the industry, share ideas, and learn what's new on the market for paper distributors.

Expo '85 will feature paper, plastic and related products including health care disposables, retail and industrial packaging, food service items, sanitary supplies and equipment, non-wovens, foils, tapes, wraps and other specialties. Computer hardware and software designed specifically for paper distributors will also be displayed.

Don't miss NPTA's Convention and Expo '85—The Show, the Meetings, the Special Events...all waiting for you in New York!

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Scherago Associates, Inc.
1515 Broadway
New York, New York 10036
(212) 730-1050

Sponsoring Organization:
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111 Great Neck Road
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Does Training Work?

One of the most difficult problems facing a merchant involved in training his people is insuring that there is a transfer of skills from the sales meeting room to the workplace and into their day–to–day performance.

To ensure that trainees will go back to the job and perform as well there as they did in the training room, a special effort must be made to be sure that they see a payoff for exhibiting the new behaviors in the old setting. It is also important to note that reinforcing the performance and providing feedback ensures that the new skills are correctly learned. One must provide the very best, most job-related training possible if skills and knowledge will be seen in the trainee's on–the–job behavior.

A considerable amount of literature has been written on training. To determine whether training works, managers have done everything from on–the–job observation/coaching to performance appraisals. The Education and Training Department recently asked five paper merchants, "How do you know that your training works?" What follows are responses to this question.

John Burgess, vice president-planning, Butler Paper Company, Englewood, CO.

Evaluation is an essential component of a training program. Like any other major investment, sales training expenditures must be justified by results.

However, the success of a training program is not easy to measure. It is impossible to forecast the sales increase that will result from any given training investment. That doesn't mean that we don't look at sales. We continually monitor sales figures of the company as a whole, and of individual sales representatives. We compare sales performance before and after training sessions, and use those results as *one* indicator of the effectiveness of our programs.

Other benefits of training are less tangible, but equally important. One of our most important goals is to instill a sense of professionalism in our sales representatives—something that can't be measured strictly in sales dollars. Our sales representatives are evaluated on their growth as professionals, based on feedback from sales managers, general managers and customers. It's a more subjective measurement, but it is a critical element in our programs.

It's important to realize that training is not a short-term proposition. It doesn't begin and end with a formal session, and neither does the evaluation process. Our sales managers and general managers in each location bear most of the responsibility for the recruiting, day–to–day training, and evaluation of sales representatives. We provide formal programs, structure and support from the corporate office, but in the end it is the feedback and follow-through from the local managers that determine the success of our sales training.

Kirk E. Vernon, vice president marketing-fine paper, Western Paper Company, Shawnee Mission, KS

We feel, for the following reasons, that training is extremely important and that it is worth the investment:

1. We have a very high retention rate among our sales people.

2. The success of our young sales people, in the early stages of their career, is very high.

3. We receive comments from our trainees after they've met competitors' trainees at mill seminars that our training program is much more thorough and lengthy—and our trainees feel good about that.

4. We receive positive comments from our customers and suppliers about our trainees. Both of these groups of important people tell us our young people are much better prepared for the full scope of the graphic arts industry, not just paper, not just supplies, that our competitors.

Our training program is a big investment and an expensive one, but there's no doubt in our mind of its importance and its value.

> *One of our most important goals is to instill a sense of professionalism in our sales representatives—something that can't be measured strictly in sales dollars.*

Bruce R. Gardener, personnel manager, Bulkley Dunton, Inc., New York, NY

We know our training program works because of the success of our sales people when they get out into the marketplace. This (over simplification) is the result of an extensive selection process that brings us high quality people who not only want to sell, but more importantly, want to sell paper. In other words, it means starting with the right people.

It is also the result of an organized program involving all managers and designed to keep the trainees interested and properly motivated as they go through the long training period, numerous learning sessions, and seminars that provide them with the product information, selling skills and desire needed to become the successful paper sellers they and we want them to be.

Chris H. Strassburger, director of management development, Distribix, Inc., Florissant, MO

From a corporate training standpoint, this is probably one of the most difficult questions to answer. However, for training to be effective, it must first have the total support of management. Without management's guidance of the programs in the field, all the work done in the actual training sessions become wasted.

Practically speaking, Distribix measures the benefits of its training by two methods, *feedback* and *results.*

From a company trainer's viewpoint, it is difficult to know if your training effort is successful or not without the proper feedback. The most gratifying experience I have as a trainer is when class participants call or write informing me of how their newly acquired skills helped them in a particular situation.

The corporation knows if the dollars spent in training are justified by results. Our company's sales have grown steadily over the years and every one of our sales people has been professionally trained. It has provided our sales people with the necessary tools to help them meet the challenges of selling in today's market. Yes, it is hard to say that we've been successful because of our training, but we do feel it has given us a competitive sales edge in our markets.

Jerry Acri, vice president, director of sales, Harrisburg Paper Company, Harrisburg, PA

The proof is in the performance. We cannot, as professionals, expect new sales people to consume and remember the thousands of products sold daily by a paper distributor, or what has taken us as trainers, years to learn. Product knowledge comes only through repetition and experience. We can, however, expect our training to provide an overview of the paper industry—an understanding of the internal operations and the company's place in the market.

Although we emphasize product knowledge in our training, the accent is on the individual's ability to analyze customer needs—then know how and where to find the answers. For example, Scott Paper Company manufactures hundreds of products. Yet, it is unrealistic to assume that a sales trainee will remember each item. On the other hand, if that same individual learns what types of products Scott produces, and how they are used, he has then narrowed his choices in solving a problem or filling a need.

At Harrrisburg Paper Company, our training works when the individual has displayed a thorough understanding of the system and exudes confidence in both his, and his company's ability to sell.

F YEF YEF

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Elegant Paper Ware

This article, originally appearing in Newsday, *reports that many are now realizing that disposable paper products need not be ugly. Attractive, high quality paperware is a growing trend.*

They are available for every occasion imaginable. Well-known design firms like Mary Quant, Marimekko and Gear design them. They come in colors with names like pink blush, lovely lavender and passionate purple. They cover a myriad of styles—traditional, country, deco, 1950s, Santa Fe, Memphis, Scandinavian, Japanese.

Paper plates have gone high falutin'.

"Whatever rules there were about entertaining, there are none today," said Diane Wall, public affairs spokeswoman for Hallmark Cards, Inc. of Kansas City, MO, one of the biggest competitors in the paper ware industry. "Paper is just beginning to come of age."

Americans entertain 560 million times a year, according to recent research conducted by Hallmark, and the trend is toward more casual, spontaneous at-home entertainment. And, Hallmark found, paper and plastic products are used for half of all parties given.

Paper is no longer the pizza parlor stuff that you associate with tailgate parties

"Paper is no longer the pizza parlor stuff that you associate with tailgate parties," said Joseph G. Runza, president of Contempo of Kalamazoo, MI, a major competitor of Hallmark in the "quality" end of the market. "Our 12-inch plates you could serve a steak dinner on—and in any style that suites your fancy."

Paper and plastic ware makers and retailers say their versatility, convenience and relative inexpensiveness are making paper and plastic ware more popular. But it is the plethora of pattern and color choices that has given the industry "tremendous momentum in the last two or three years," according to Angelo Guimmarra, vice president of sales for Amscan Inc. of Harrison, NY, another major paper ware manufacturer. "The trend is definitely into more sophisticated designs and looks."

And, manufacturers and retailers say, the industry will continue to grow. "Paper lets you create a style all your own," Hallmark's Wall said. "Women are just beginning to have fun with paper."

The range is dazzling, and a walk through almost any paper ware store these days can overwhelm the buyer. Contempo offers 31 colors for more than 30 paper items and an assortment of designer ware. The company, that already produces the paper ware of Bob Van Allen, American Legacy and Gear, among others, plans to introduce a line designed by the clothier J. G. Hook in 1985. Hallmark will introduce 44 new designs next year, ranging from Southwest themes to solids and flowered prints. Amscan has 24 solid colors and an assortment of designs.

Most plates, cups and napkins also come in a variety of sizes and weights. And with the introduction of plastic and plastic-coated paper plates, gone are the days when you need to be afraid to cross the room at a party for fear of your laden plate suddenly buckling and sending your pasta primavera to the floor.

"It used to be that using paper plates meant that your food would seep onto your lap," said Chris Downey, wife of Rep. Tom Downey (D-Amityville). She uses paper plates for parties for their two children or for adult gatherings of more than six. "But now they have become so sophisticated and eye-appealing that I'm comfortable using them for parties."

Plastic utensils, also available in a variety of colors, are, in many cases, dishwasher-safe and reusable. Paper tablecloths, runners and coordinated and reusable plastic mats are also available. Crystal-like plastic serving and punch bowls in an assortment of shapes and sizes make it possible to entertain entirely without china these days.

Some charge that all these fancy paper and plastic products are expensive. But manufacturers and retailers answer that, compared to the costs of renting dishes, paper is still a bargain.

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Richard Sciascia, co-owner of Festive Party Supplies of West Babylon, one of the largest party goods stores on Long Island, said that he entertained 25 for Thanksgiving, "going all out" on paper ware for $31.39. But, he said, the same dinner could have been served on paper ware costing $12.28, that, he contended, would have been decorative—and durable—enough to handle a full turkey dinner.

Using the more expensive dinnerware, Sciascia said he chose heavy-duty 11-inch dinner and eight-inch dessert plates decorated with a turkey; matching cups and three-ply napkins; a paper tablecloth, also with a Thanksgiving theme, and extra-heavyweight utensils. For $12.28, Sciascia said, you could use nine-inch heavy-duty plastic-covered plates with an orange-and-beige harvest design, matching seven-inch dessert plates, matching cups, two-ply orange napkins and white heavyweight utensils, plus the paper turkey tablecloth.

Even at a higher price, Sciascia contended, the paper ware was a bargain. "Do you know what it is to wash for 25 people?" he asked. "Do you even have 25 forks and spoons?"

Entertaining for large numbers remains high on the list of times when paper and plastic ware are used. But, retailers and manufacturers say, more and more people are mixing paper and china in other generally more formal settings.

"No one is suggesting that paper will replace Waterford crystal or Lenox china," said Runza of Contempo. But, he asked, how many cocktail parties does one attend these days where paper napkins—instead of the more formal linen—are used for hors d'oeuvres?

And mixing one's crystal and china with paper is becoming mores and more *de riguer*, according to Hallmark designers, who offer a whole series of tips on how to mix paper with blue stemware, linen place mats and silverware. For a more sophisticated dinner look, they suggest using brass plates to line their burgundy and gold Art Deco design plates. Or burgundy linen table mats with brass napkin holders.

The combinations are endless and the uses limited only by the imagination. "Anybody who has common sense would have to use paper," said designer Oleg Cassini, who has designed his own line of paper and plastic ware for Hallmark. "It's part of the computer age."

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ROTA— YOU VS THE INDUSTRY

Probably the most important and valuable ratio of all the data collected and analyzed in the Performance Analysis Report (PAR) for paper merchants is Return On Total Assets. Readers should pay close attention to this report.

The annual Performance Analysis Report (PAR) of financial performance by paper merchants generates over 300 different ratios. These measures, calculated by Management Foresight, Inc. (MFI) of Columbus, Ohio are grouped into several categories that analyze: sales, profitablity, profit margin management, and financial leverage.

These 300 ratios should be viewed as an inter-related set of performance measures that tell a story about how well a paper merchant is doing compared with his peers in similar regions, sales volume classes, or product classifications. Problem areas will be revealed when a merchant's results differ *significantly* from these industry averages. However, each company has its own goals and style of operation, and may be willing to accept lower than average results in one area if it is balanced by above-average results in another area.

Probably the most valuable ratio in the PAR is Return On Total Assets (ROTA). ROTA is a profitability measure which related profit earned on sales to a firm's assset investment. Following is the ROTA formula:

$$\text{ROTA} = \frac{\text{Net Profit On Sales}}{\text{Total Assets}}$$

This measure, which evaluates a paper merchant's combined performance in two key areas, namely profit margin performance and asset management, is so vital that all companies participating in PAR are ranked as high, median or low ROTA firms. A "high" ROTA firm is one that has results mid-way between the very strongest and the median value. A "low" ROTA firm's results are at the mid-point between the weakest and the median value.

The table on the facing page compares the seven major functional area expenses incurred by all paper merchants during 1984 and 1983.

The combined physical distribution costs associated with *storage, handling* and *delivery* of products ate up at least 23.6% of each gross profit dollar in 1984, for the *most* profitable merchants. For the *least* profitable firms, this figure was as high as 35.6%. Printing paper merchants spent 27.3%–35.6% on these expenses in 1984 (a 30% spread between high and low-profit firms). Industrial paper firms spent 23.6%–28.1% (19% spread) and dual merchants spent 29.2%–34.4% (17.6% spread).

Printing, industrial and dual firms all cut their storage expenses between 1983 and 1984, for both high and low-profit ROTA groups.

Combined Sales Service (inside sales support, telemarketing, etc.) and *selling* (outside sales reps) expenses ate up an additional 33.4% of gross profit dollars at the very minimum (for most profitable firms). The least profitable firms had 42.2% of gross profits taken up by these expenses. There was a 19% spread between high/low ROTA firms in printing paper, 12% for industrial houses, 14.5% for dual.

Administrative expenses accounted for another 9.9% of gross profits at best, 21.8% at worst for low ROTA groups. The spread between high/low profit firms was 72% for printing paper houses, 91% industrial, and over 100% for dual houses.

For high ROTA firms, by individual expense, printing paper merchants had the lowest selling expense related to gross profit. Dual houses had the lowest administrative costs. Industrial firms had the lowest storage, handling, delivery, office and sales service expenses of the three type of merchants.

For more information on ROTA and the many other measures used to analyze the paper merchant's business, consult the 1985 Paper Merchant Performance.

FUNCTIONAL AREA EXPENSE MEASURES FOR HIGH & LOW PROFIT FIRMS

(1984 vs. 1983 PAR Results)

	Low ROTA Firms		High ROTA Firms		Your Firm
	1983	1984	1983	1984	
Storage Expenses as % *W.&I. Gross Profit					
Printing	10.23	8.89	6.53	5.60	
Industrial	7.52	6.01	6.56	4.44	
Dual	8.21	8.14	8.18	7.24	
Handling Expense As % *W.&I. Gross Profit					
Printing	14.60	13.45	11.12	10.55	
Industrial	7.67	7.75	7.21	8.30	
Dual	11.81	11.06	10.44	10.98	
Delivery Expense As % *W.&I. Gross Profit					
Printing	14.29	13.24	10.17	11.17	
Industrial	16.33	14.31	12.21	10.84	
Dual	14.88	15.16	11.19	11.00	
Office Expense As % Gross Profit					
Printing	11.08	13.44	8.74	10.46	
Industrial	11.86	12.91	8.90	9.15	
Dual	15.28	16.16	11.06	13.78	
Administrative Expense As % Gross Profit					
Printing	17.09	18.57	11.94	10.81	
Industrial	15.87	21.75	12.72	11.37	
Dual	18.20	20.49	10.14	9.90	
Sales Service Expense As % Gross Profit					
Printing	10.80	10.49	7.20	7.98	
Industrial	8.70	7.58	4.66	5.10	
Dual	10.70	10.11	7.85	7.48	
Selling Expense As % Gross Profit					
Printing	29.04	30.08	23.67	24.86	
Industrial	34.37	33.15	32.27	30.51	
Dual	29.38	27.70	26.11	25.22	
Sales Serv. & Selling Exp. As % Gross Profit					
Printing	39.32	40.61	31.62	34.07	
Industrial	40.52	42.16	36.56	37.57	
Dual	38.06	38.19	33.72	33.35	

*Warehouse & Indirect

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The White House Tax Plan

Wholesalers want to know how they will be affected by President Reagan's new corporate rate reduction plan. The National Association of Wholesaler-Distributors (NAW) prepared the following analysis.

"As you will note," reports NAW president Dirk Van Dongen, "a firm with $100,000 in earnings will enjoy a 12% reduction in its federal tax burden. A firm with $500,000 in earnings will receive a 21% reduction and those with a $2.5 million or more in pre-tax earnings will receive a 28% reduction."

These are very significant increases in retained earnings, particularly when considered in light of the retention of graduated rates for smaller firms in the President's proposal, NAW reports. NAW fought hard for the restoration of the graduated rates in the administration's package. The original treasury proposal would have eliminated graduated rates.

"We are in the process of evaluating the impact of the non-rate provisions of the Administration proposal on our industry (wholesaling)," Van Dongen said. "Assuming, as our initial analysis suggests, that these provisions have a 'wash' effect on wholesaler-distributors' taxable income, enactment of the president's package would fundamentally improve on industry's ability to generate growth capital through increased retained earnings," he said.

ADMINISTRATION TAX REFORM PROPOSAL—INCREASE IN RETAINED EARNINGS

TAXABLE INCOME	CURRENT LAW	EFFECTIVE RATE (%)	ADMINISTRATION PROPOSAL	EFFECTIVE RATE (%)	INCREASE IN RETAINED EARNINGS	
					$	%
$ 25,000	$ 3,750	15.0	$ 3,750	15.0	$ -0-	-0-
50,000	8,250	16.5	8,250	16.5	-0-	-0-
75,000	15,750	21.0	14,500	19.3	1,250	7.9
100,000	25,750	25.8	22,750	22.8	3,000	11.7
140,000	44,150	31.5	35,950	25.7	8,200	18.6
160,000	53,350	33.3	43,490	27.2	9,860	18.5
180,000	62,550	34.8	51,030	28.4	11,520	18.4
200,000	71,750	35.9	58,570	29.3	13,180	18.4
220,000	80,950	36.8	66,110	30.1	14,840	18.3
240,000	90,150	37.6	73,650	30.7	16,500	18.3
260,000	99,350	38.2	81,190	31.2	18,160	18.3
280,000	108,550	38.8	88,730	31.7	19,820	18.3
300,000	117,750	39.3	96,270	32.1	21,480	18.2
320,000	126,950	39.7	103,810	32.4	23,140	18.2
340,000	136,150	40.0	111,350	32.8	24,800	18.2
360,000	145,350	40.4	118,800	33.0	26,550	18.3
500,000	209,750	42.0	165,000	33.0	44,750	21.3
750,000	324,750	43.3	247,500	33.0	77,250	23.8
1,000,000	439,750	44.0	330,000	33.0	109,750	25.0
1,200,000	541,750	45.2	396,000	33.0	145,750	26.9
1,405,000	646,300	46.0	463,650	33.0	182,650	28.3
1,500,000	690,000	46.0	495,000	33.0	195,000	28.3
2.5 Million	1,150,000	46.0	825,000	33.0	325,000	28.3
5.0 Million	2,300,000	46.0	1,650,000	33.0	650,000	28.3

G-P Finds Problems With President's Plan

The President's tax proposals threaten to turn the United States into "a nation of repair shops and hamburger stands" at the expense of its manufacturing industries, according to the chief executive officer of a major forest products company.

"The tax proposals are clearly proposals to export jobs instead of products," T. Marshall Hahn Jr., chairman and CEO of Georgia-Pacific Corp., told the Georgia Forestry Association's annual meeting. "No major country has ever become, or remained, a great power by relying upon service industries alone."

Hahn pointed to declining productivity and the loss of markets to foreign competitors as evidence of the need for incentives for U.S. manufacturers to modernize their facilities, which has been held back because of high costs.

"The Administration's recent tax proposals would make matters worse for manufacturing companies," Hahn said. "The loss of the investment tax credit and accelerated depreciation will remove a tremendous incentive to invest in modern, efficient production facilities."

With respect to the forest products industry, Hahn observed that "the loss of capital gains treatment for timber and the requirement to capitalize forest management expenses and interest expenses on timber investment, rather than allow them as current deductions will hit our industry hard.

"I know of no other industry where it is proposed that the carrying cost of capital assets cannot be expensed," he noted. "The change is inequitable because of its uneven impact on one industry. Also, it does not accurately reflect the long-term nature of the timber investment, which is ideally suited to a capital gains treatment."

Hahn said that national policy should focus on making competitiveness with foreign producers a national commitment, rather than adopting the disincentives to industrial growth.

PAPER MERCHANT SALES REPORT

JUNE, 1985

NPTA Region	Sales Per Selling Day June 1985 - Compared To - June 1984	Sales Per Selling Day June 1985 - Compared To - May 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of June		Calendar Day Cost* of Ending May Inventory	
				1984	1985	1984	1985
1	− 2.0	+ 1.5	+ 2.4	43	39	—	—
2	+ 1.5	+ 5.4	+ 1.8	36	35	52	47
3	− 0.5	−12.0	− 0.5	36	37	59	55
4	− 3.3	− 4.8	+ 2.1	39	38	56	52
5	+ 0.2	+ 0.1	+ 2.8	35	35	61	61
6	− 3.0	+ 9.1	+ 0.0	40	41	—	—
7	+ 0.0	+ 3.3	+ 3.2	40	36	54	55
NY	+ 2.9	+ 2.7	+ 8.1	43	40	—	—
Chicago	− 3.1	− 1.8	+ 3.8	38	39	—	—
LA	†	+ 2.3	− 4.1	53	44	57	54
US	+ 4.2	− 0.2	+ 1.8	40	39	56	53
1	+11.5	− 0.6	+10.0	48	46	—	—
2	− 7.9	+ 1.0	+ 3.7	46	41	61	58
3	+ 1.7	−19.3	+10.3	41	38	88	82
4	− 6.0	− 2.8	+ 2.2	43	41	73	67
5	+ 0.7	+ 9.4	+ 4.8	44	42	81	83
6	+ 2.9	+ 6.0	+ 0.0	39	39	—	—
7	− 5.0	+ 2.8	− 4.9	40	38	79	76
NY	+14.6	+11.9	+12.6	40	41	—	—
Chicago	−13.8	+ 6.7	− 7.0	40	42	—	—
LA	†	− 3.4	+ 0.0	45	43	79	79
US	− 3.2	+ 1.0	+ 3.3	43	43	77	72

*To calculate montly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

†Note: A major change in reporting status by one firm in the database for this area prevented calculation of a valid statistic. Adjustments are in progress.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

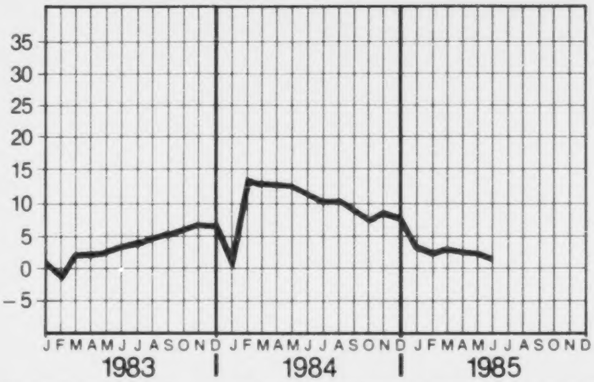
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

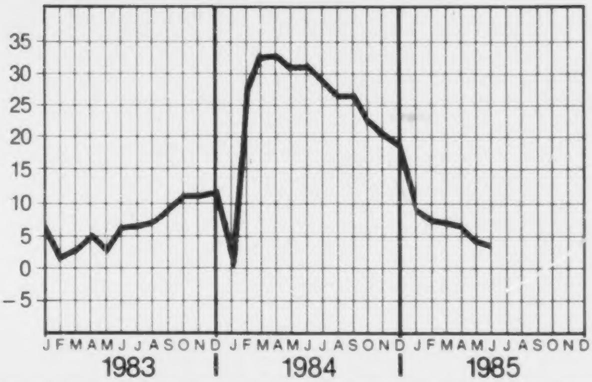
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



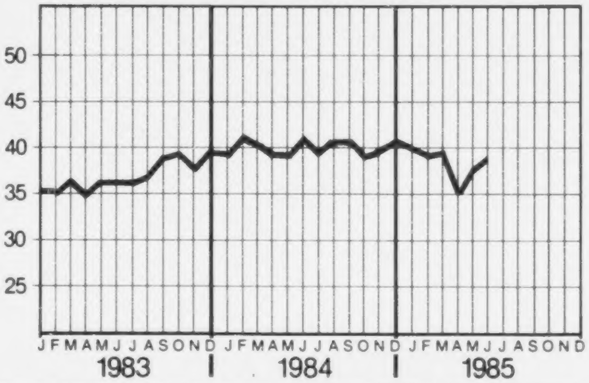
PRINTING PAPER SALES NATIONALLY



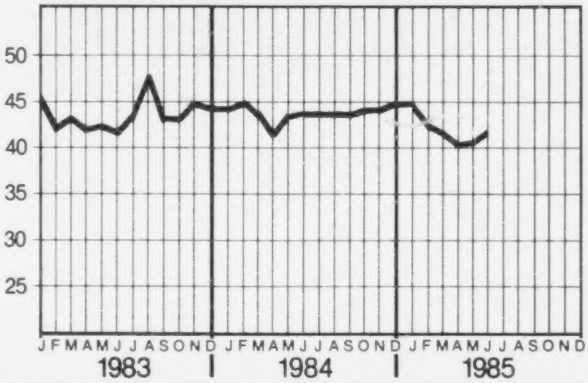
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



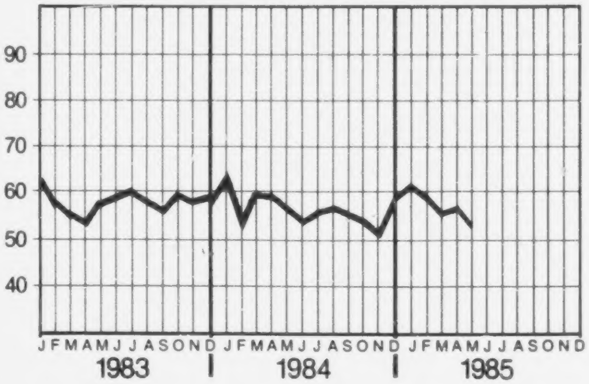
PRINTING PAPER RECEIVABLES NATIONALLY



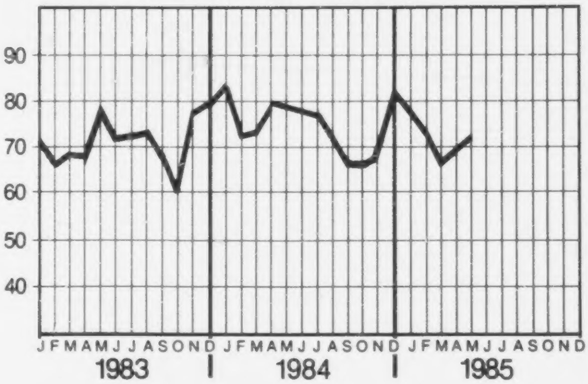
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



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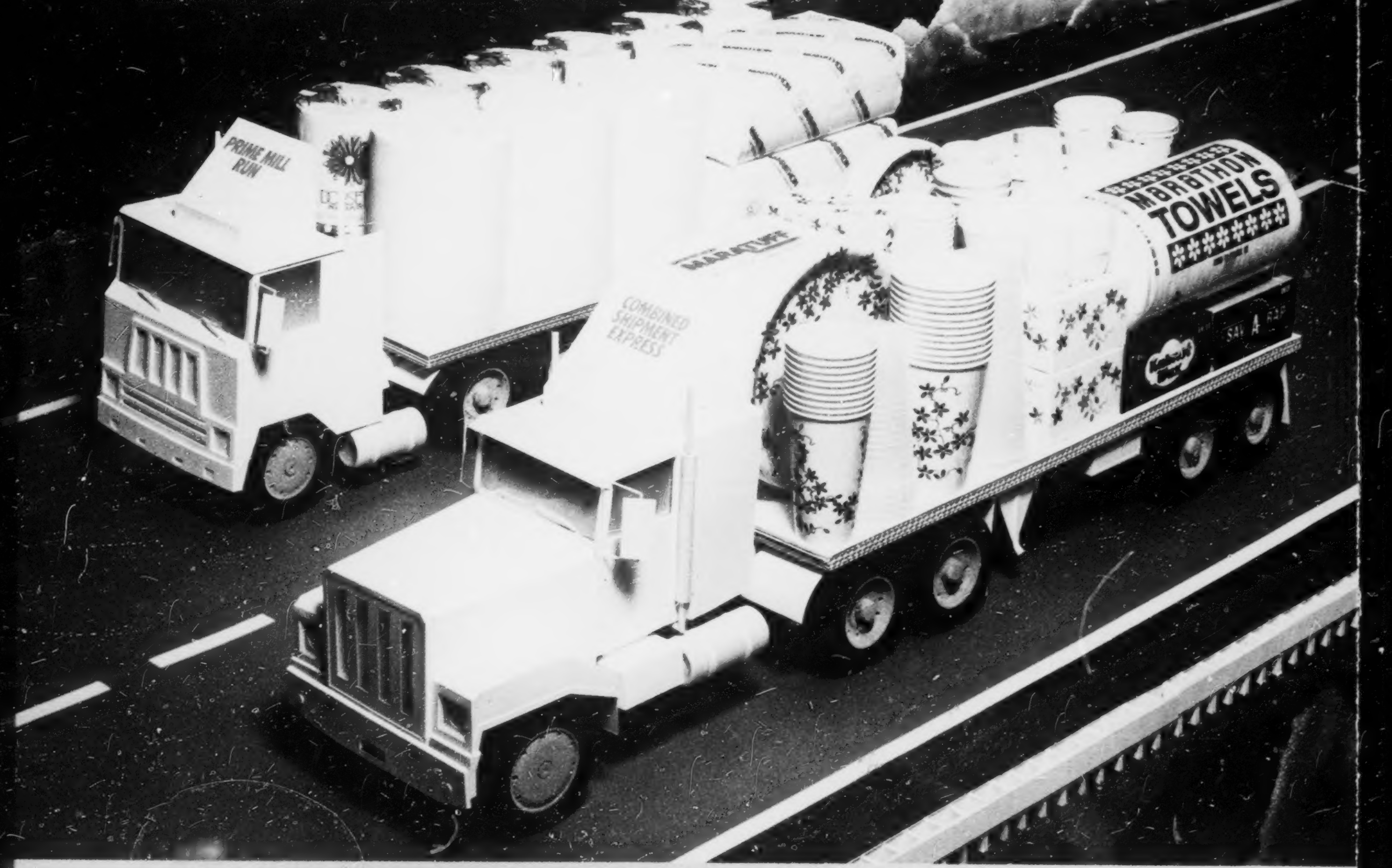

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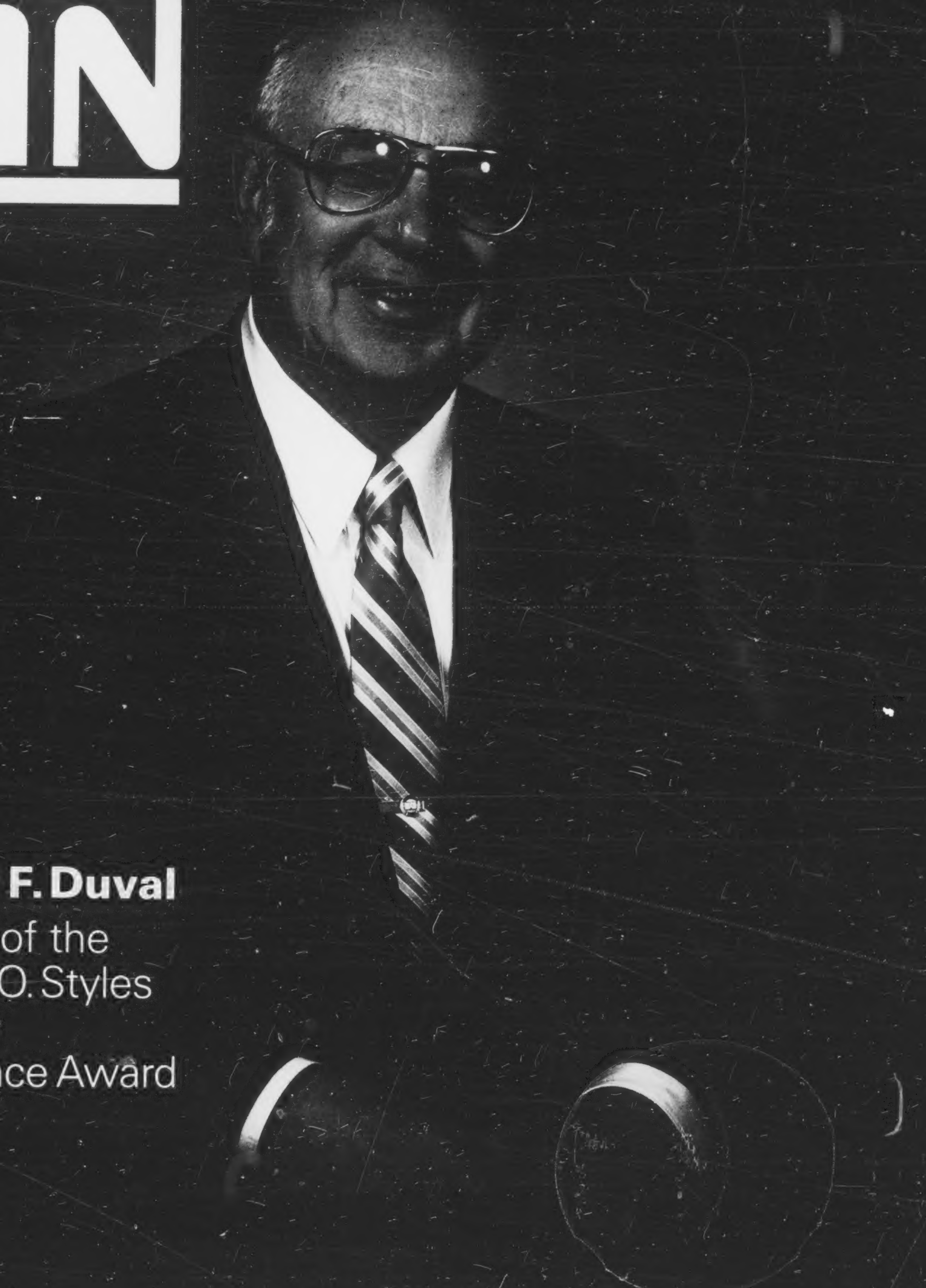
SEPTEMBER 1985



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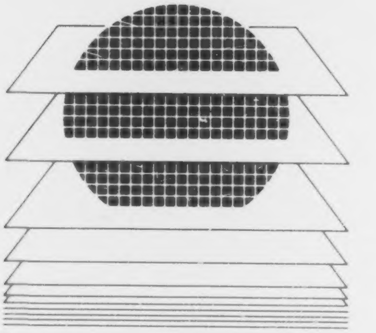

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Cover Photo: Lawrence Witkowski

MILLS SHOWED MIXED SECOND QUARTER SIGNS

From a sampling of paper manufacturing companies' second quarter reports, it is clear that the industry is having some problems. "Our mills and plants are running well," commented Burnell Roberts, chairman and CEO of Mead, "but we are facing very tough market conditions in several major businesses." His company reported second quarter earnings of $33.1 million, down 28% from the $46.1 million posted for the same period a year ago. The irony is that sales are about the same as last year.

Potlatch showed similar results. Second quarter sales were off slightly from a year ago levels, but earnings of $10.5 million this year were down 34%. Potlatch's Northwest Paper Division had good earnings performance although operating income for the second quarter declined 23% from a year ago. Chairman and CEO Richard B. Madden said that these results were due to poor domestic markets and the adverse effects of the strong U.S. dollar on export sales of the company's bleached paperboard which continued to hurt profitability in the pulp, paperboard and packaging group.

Mead Chairman Roberts would agree. "The strong dollar continues to weaken our position in export markets and has attracted record imports into this country."

Scott Paper Company's Chairman and CEO Philip Lippincott reported that "Our international operations were up sharply in both sales and earnings in the quarter." Overall, the company posted a 7% sales increase to a record $761.1 million for the quarter with net income rising to $53.1 million from $52.9 million for the same period the year before.

But their S.D. Warren division did not do as well. Lippincott said that sales and earnings were "Strong, but somewhat lower than the record second quarter of 1984. There was some softening in the market for heavier weight coated printing and publishing papers, as customers worked off inventories built up during previous quarters."

Great Northern Nekoosa's Chairman William Laidig said of his company's second quarter report "...depressed pricing and oversupply continued to affect many of our markets. As a result, earnings were approximately the same as those of this year's first quarter and substantially lower than earnings a year ago." Second quarter earnings were fixed $12.4 million—down 65% from the same period a year ago. Sales were basically unchanged from that period.

In the 1984 quarter though, net income for the company benefited from investment tax credits and capitalization of interest attributable to the construction of the Leaf River Pulp Mill.

Pentair, on the other hand, reported improved second quarter earnings of $6.5 million—up 8.3% from the same period a year ago on sales that were off by 7%. The sales decrease, says D. Eugene Nugent, president of the company, was due to the sale of their Huron Office Products business earlier this year.

Champion International reported second quarter earnings of $43.3 million on sales of $1.6 billion. These results include earnings of the former St. Regis Corporation acquired in late 1984. A year ago, Champion reported net income of $40.1 million on net sales of $1.2 billion. They reported that order backlogs had dwindled because of inventory liquidation at the customer level. Demand for coated papers has softened due to imports as well as customer inventory reductions. Some production was curtailed at the end of the quarter as demand was sluggish due to the strong dollar and lackluster economy. Champion's packaging segment showed operating income tumble.

It is a mixed bag. Most mills are reporting that expectations for the third quarter will be more of the same. No one, at this point anyway, is making any long term predictions.

NEW WESTERN NETWORK FORMED BY UNISOURCE

Formation of Unisource, a new paper distribution network throughout the 11 Western states, has been announced by Raymond A. Peterson, who has been named president of The Unisource Corporation, newly formed after the recent amalgamation of Blake, Moffitt & Towne

EVENTS

OCTOBER

5–8 *NPTA's Annual Convention and Exposition, New York Hilton, Sheraton Centre Hotels, New York, NY. Contact NPTA.*

23. *Managing Customer and Product Line Profitablity— A Key to Survival and Growth in the 80s., Los Angeles, CA. Contact NPTA.*

24. *Print Pacific '85, San Mateo Expo Center, San Francisco, Ca. For more information contact Dwight Mitchell, show manager, 415-962-8976.*

28–11/1. *Printech Week, Rochester, NY. Contact NPTA.*

NOVEMBER

6–8. *Trends in Paper Distribution Computerization Conference, St. Louis, MO. Contact NPTA.*

10–15. *Paper Distribution Management Development Program, Oxford, OH. Contact NPTA.*

18–19. *The second uncoated groundwood papers conference, Waldorf-Astoria, New York, NY. For more information contact: David R. Allan, Pulp & Paper Seminar Department, 212–683–9294.*

19–20. *Successful Inventory Management for the Wholesale Paper Distributor, Seattle, WA. Contact NPTA.*

and Carpenter/Offutt, two widely known paper houses in the West. Peterson has been president of Carpenter/Offutt.

The Unisource Corporation is part of The Paper Corporation of America group, whose parent corporation is Alco Standard (NYSE) at Valley Forge, PA..

From the Unisource company's new corporate offices located in Long Beach, CA, Peterson said, "The new Unisource organization of 23 paper distribution centers and 17 'Paper Plus' retail stores, extending from Fairbanks to the Mexican border and from Honolulu to Salt Lake City, provides a new cohesive and expanded fine paper supply network throughout the West.

"With our exceptionally strong supplier relations, this expanded Unisource team will benefit the growing graphic designer, packaging and printing markets we serve."

Besides fine papers for printers and copying machine users, the new Unisource organization distributes such industrial products as packaging materials and equipment; foodservice, shipping room, janitorial and maintenance supplies, according to Peterson.

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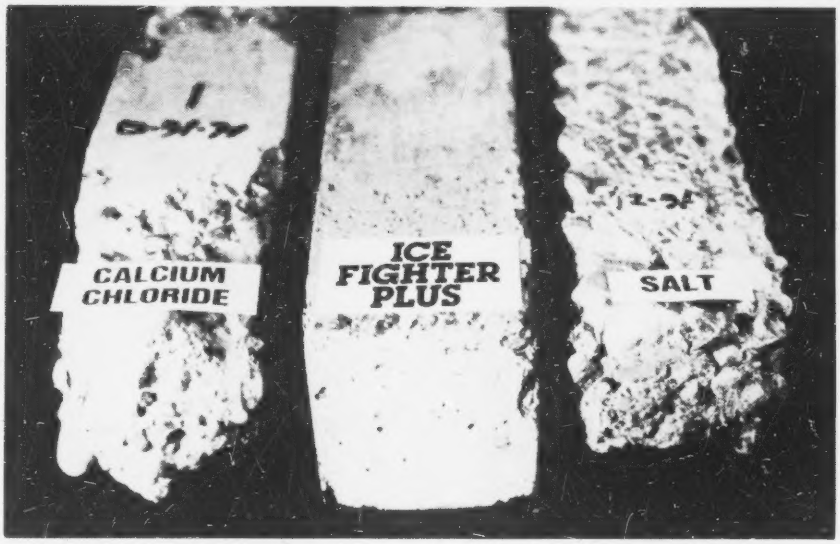

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MEMBER ISSA

L&CP FORMED, MANAGEMENT TEAM NAMED

Champion International acquired the St. Regis Laminated and Coated Products Division last Fall in its purchase of St. Regis. Champion has sold the Division to a group composed of the Division's management and Zellstoffund Papierfabrik Frantschach AG, an Austrian paper products producer.

Kermit Greene has been named president and CEO of the new company. He was formerly the Division's vice president and general manager.

The other officers of L&CP, all former Division executives, include: Jack Carr, executive vice president and chief operating officer; Patrick J. Farrell, vice president marketing and sales; H. Paul Fortin, vice president manufacturing; Curt Kittelson, vice president finance and administration, chief financial officer.

"Our senior management team has extensive experience with this business," said Greene. "Most of us have been with the L&CP Division or predecessor units for 15 to 30 years. As a result, we are confident of a smooth transition from being a profitable division of St. Regis and Champion to a profitable, free-standing enterprise."

L&CP produces a wide variety of masking papers, cohesive papers for industrial and medical packaging, specialty papers, gummed printing papers and industrial release papers.

Headquartered in Newton, it operates manufacturing plants in Bridgeview, IL, and Troy, OH, in addition to Newton.

Sales in 1984 exceeded $90 million. The company employs about 800 people.

G-P SELLS BOX PLANT

Georgia-Pacific Corp. has sold the assets of its Fort Smith, AR, corrugated sheet plant to Westark Specialties, Inc. Terms of the sale were not disclosed.

Westark Specialties is a diversified company based in Fort Smith, and its

IT'S NOT AN EMPTY SOCKET.

operations include another corrugated sheet plant in that city. The company manufactures a wide range of specialty containers and packaging for markets in AR, MO and OK.

Georgia-Pacific's corrugated container operations include 30 plants nationwide, with a combined annual capacity to produce about 17.5 billion square feet of corrugated packaging.

PAPER INDUSTRY WAGE INCREASES DOWN

The revised 1984 first-year wage increase negotiated by American Paper Institute (API) member companies is 3.6%. Remaining from the 1984 bargaining calendar are: Simpson Paper at Eureka and Ripon, CA; ITT Rayonier at Port Angeles, WA; Louisiana-Pacific at Ketchikan, AK; and Garden State Paper at Garfield, NJ.

However, the first four mills all implemented offers (Louisiana-Pacific at Ketchikan is currently in the process of negotiating a 1985 agreement) and Garden State Paper is awaiting the details of an arbitration settlement which is due in approximately three weeks, reports API. Factoring implemented offers into the 1984 figure drops the increase to 3.3%.

NEW ENGLAND MERCHANTS ELECT OFFICERS

The New England Paper Merchants Association, headquartered in Marion, MA, elected officers for the 1985–1986 year. They are: President—Richard Rogers, president of Ris Paper Company, Woburn, MA who is also a past president of the Boston Paper Trade Association; First Vice President—Henry S. Julier, president of Carter Rice, Boston, MA who is a past president of the Boston Paper Trade; Second Vice President—Daniel F. Sullivan, treasurer of The Dowd Company, Woburn, MA; Treasurer—Robert M. Bryne, treasurer of Whitney Brothers of Boston, MA; and continuing as Executive Secretary—Albin R. Johnson, Jr.

SOUTHERN PAPER TRADE ELECTS OFFICERS

At a recent meeting of the Southern Paper Trade Association, the following people were elected as officers of the group: Chairman—Earl A. Spindel, Graphic Papers, Inc., New Orleans, LA; President—Clifford G. McGehee, Camelot Distributing Company, Atlanta, GA; Vice President—Samuel C. Polk, Coleman Paper Company, Vidalia, GA; Vice President—Jerry Deen, Western Paper Company, Shreveport, LA; and reelected Executive Secretary-Treasurer, Eleonora B. Vogt, New Orleans, LA.

BULKLEY DUNTON OPENS ONE-STOP DIVISION

Paper'n Graphics, Bulkley Dunton's new division, was opened in July in Paterson,

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NJ. The division is a one-stop shopping concept that offers cut size paper, envelopes, announcements, and graphic supplies. It is designed to service lettershops, inplant and quick printers as well as small commercial printers.

The cash and carry store's manager, Pat Reynolds, said "The one-stop source is a new means of wholesaling to this segment of the trade." Bulkley Dunton plans to open additional stores in the New York Metropolitan area soon.

PEOPLE IN THE NEWS

Bob Weill has been named executive vice president of JB Papers, Inc. of Union, NJ.

George G. Mick has joined Ris Paper Company's Pennsylvania Division as treasurer.

Joseph P. Weil, fourth generation and namesake of the founder of Joseph Weil & Sons, Inc., Chicago, IL has been elected chief executive officer of the company.

Robert B. Miller, Sr. has retired from Monarch Paper Company's Houston Division after 23 years as senior salesman.

James A. Meyers has been appointed operations manager of Virginia Paper's Atlanta branch. **Clyde M. Speicher, Jr.** was named manager-market development at the company's Jacksonville branch. **Edward L. Kryzak** has been promoted to sales manager of Virginia Paper's Miami branch and **R. Daniel Hock** was appointed sale manager of the Orlando operation. **David V. Sharp** has joined the headquarter's staff in Richmond as MIS manager.

John Bomba has joined Paper Enterprises, Bronx, NY as sales manager.

Steven J. Kulyk has been named to the position of director of national account sales for the Fonda Group, Inc.

W. Craig McClelland was elected president and CEO of Hammermill Paper Company and **Donald S. Leslie** was elected chairman of the company. They will replace the retiring **Albert F. Duval. Joseph G. Bergomi, Jr.** was named president of the company's Thilmany operation. He will succeed **Fred Herbolzheimer, Jr.** when he retires on January 1, 1986.

John H. Waechter was elected president of Weyerhaeuser's newly formed Weyerhaeuser Paper Company.

Hal Cranston was named division vice president of Crown Zellerbach's Consumer Products business unit.

Larry Roseman was named sales manager of institutional sales for the American Tissue Corporation.

Kevin L. Ellsworth has been promoted to national sales manager, envelope paper sales for Georgia-Pacific's Printing Paper Division.

William H. Schuler has been named vice president, marketing of Tape, Inc. in Green Bay, WI.

David Harrer was named graphic arts product manager for Appleton Papers Inc. **Steven Fortune** has become southwest regional manager and **Dale Trudell** was named mid-Atlantic regional sales manager for the company.

James G. Crump was elected president of Nekoosa Papers, Inc. succeeding **Gerard E. Veneman** who will continue as executive vice president of Great Northern Nekoosa.

Walter H. Drew has been elected president of Kimberly-Clark's new sales and logistics group and executive vice president of the company.

PRINTING PAPER

SOUTH FLORIDA IS NEW LEADER IN PRINTING EMPLOYMENT

According to recent figures compiled by the U.S. Department of Commerce and the University of Florida, South Florida has now become the "hottest area of printing employment growth" in the Southeastern United States, Printing Industry of South Florida president Manny Abrams said.

In the Department of Commerce's recently published statistics, the Southeastern region is leading the country in growth among both the printing and publishing industries. Florida leads the states in the region by employing 44,632 people of the 1,298,298 total figure employed in the region, an increase of 23.9% over 1979's published study. Of those 44,632, Dade County led the State with a 29.1% increase, totaling 11,106 employees in the printing and publishing industry. South Florida, which includes Monroe, Dade, Broward and Palm Beach counties, employs 18,718 people and experienced a 21.7% increase over 1979.

Dr. Paul L. Noble, former president of Printing Industry of Metropolitan New York (PIMNY) and now an economic consultant to the PISF interpreted this tremendous growth pattern with the fact that Southeastern States have grown at three times the rate of the U.S. as a whole and Dade County's printing and publishing employment grew almost eight times as fast as the rest of the country.

The most recent edition of *Florida Statistical Abstracts* published by the University of Florida confirms these findings. According to the publication, South Florida leads the rest of the state in printing employment. With 19,190 people employed, the size of the industry exceeds all of the other major Florida cities combined, reflecting the growth and vitality of printing firms in this area of the state. In comparison, the Tampa-St. Petersburg area only employs 7,080 in the industry and Orlando, once thought to be a good central location for printing, only employs 2,972 people.

A similar picture is revealed in the latest figures regarding the industry published by the U.S. Department of Commerce's Bureau of the Census in Washington D.C. For the latest year studied, this report shows a growth of 9.1% in the industry in South Florida, as compared to only 1.1% growth in the rest of the State.

"Industry here has sensed this trend for some time," Noble said. "Graphic arts firms in South Florida are young, growth-oriented and aggressive in the marketplace. Our attendance figures at Graphics of the Americas in Miami Beach have been staggering—over 16,000 last year—indicating to us a productivity—minded market is now emerging. These kinds of attitudes are bound to be reflected in the industry's growth figures," he added.

PRINTERS SHOW INCREASED PROFITS

Preliminary results of the 1985 Printing Industries of America, Inc. (PIA), Financial Ratio Study indicate that profit for U.S. printing firms increased, on average, 12.65% last year. This figure parallels a 13.26% growth in sales volume for printing companies over the same period.

The PIA Financial Ratio Study, conducted annually by PIA Financial Services, is a comprehensive financial survey of the North American printing industry. William A. Rose, II, director of financial services explained that "preliminary findings indicate that the U.S. printing industry had a solid year of recovery in 1984." Characteristically, the pace of the industry's recovery is lagging behind the U.S. economy by about three quarters. Recovery for the U.S. printing industry began during the first quarter of 1983.

"The study shows that firms in our industry grew faster than the general economy last year," he noted. "It's clear that U.S. printing firms rode a wave of recovery in 1984." Data from the ratio study program, which profiles an average U.S. printing firm, documents the recovery.

"The 28% decline in Return On Investment (ROI) in 1984 with a coincident rise in the profit before taxes is indicative of the large investment in plant and equipment that was made by U.S. printers last year," commented Rose.

The 1985 PIA Financial Ratio Study has just been published. The series of 14 books provides a comprehensive financial perspective of the industry by geographic region, sales volume and specialty product or process. Each book in the series is available for sale at $60.00 for PIA members and $90.00 for nonmembers. For further information contact William A. Rose, II, director of PIA Financial Services, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, VA 22209; 703-841-4805.

MANY HIGHLIGHTS AWAIT AT DRUPA '86

American printers traveling to DRUPA 86 next year in Dusseldorf, West Germany can see much of the industry's past and present, according to

For the Average U.S. Printing Firm

	1980	1981	1982	1983	1984
Sales Dollar Volume (in thousands)	3,537	3,997	4,966	5,273	5,972
Profit Before Taxes	4.12	3.87	2.61	3.14	3.54
ROI	7.26	6.84	5.26	5.77	4.17

Dirk Meumann, executive director of Dusseldorf Trade Shows, New York.

Meumann said Germany is rich in printing history as well as the site of some of the major manufacturing facilities of equipment used in the trade.

The main attraction in 1986, he noted, will be DRUPA, the world's fair of printing and paper, to be held in Dusseldorf, May 2–15. But world-famous museums and manufacturing headquarters are within a few hours drive of this centrally-located city on the Rhine River.

Meumann encouraged industry people to plan a visit to the prestigious Gutenberg Museum in Mainz. Here are the tools and products of the world's first printer, including a copy of his rare Bible. Recreated shops, filled with old machines, are other features of the beautiful sanctuary. Actual samples of work produced by early craftsmen are preserved for examination.

Others attending DRUPA, might consider journeying to Hachtel, site of the Mergenthaler Museum, according to Meumann. Built by townspeople in honor of Ottman Mergenthaler, inventor of the Linotype machine, the facility is in the birthplace of the famous inventor. One of his early linecasters, a Model 5, is among the memorabilia.

West Germany is renowned as a country for the development and manufacture of graphic arts machinery, says Meumann. Presses, cameras, paper cutters, color scanners, pagination systems, typesetters, and binding systems are built by many of its firms.

The city of Wiesloch is the site of the world's largest printing press assembly lines, many of which are completely automated. Kiel features a factory for making electronic image processing systems, while process cameras are made by a company in Frankfurt. Wurzburg is headquarters of the world's oldest press builder. Folding and bookmaking machines are made in Ludwigsburg, rotogravure presses in Lengerich, and typesetters in Eschborn.

German cities and towns, according to Meumann, are important industrial centers of interest to all printers. Visits to these facilities, before or after DRUPA, could yield valuable information to businessmen anticipating acquisitions.

He pointed out there is good rail and bus transportation between cities and highways are well marked for those traveling by private vehicle.

Meumann suggested making early arrangments for such side trips by contacting the Dusseldorf Travel Service at (800) 835-0085 or (212) 888-1515 in New York state. General DRUPA information is available from Dusseldorf Trade Shows, 500 Fifth Avenue, New York, NY 10110. Telephone: (212) 840-7744.

INDUSTRIAL PAPER

INDUSTRIAL SALES COMPENSATION STUDY CLOSE TO PUBLICATION

A new publication featuring the results of the NPTA Industrial Paper Division Committee's Sales Compensation Survey will soon be available.

The publication will begin to clarify the current situation in industrial and dual paper merchant compensation programs for sales managers as well as inside sales personnel. It will also help merchants to determine a mix of all compensation elements employed currently by merchants in their area. The study also gathered information about the trends and concerns regarding sales compensation.

The information included in this report covers the following:

- The demographic characteristics of respondents by location, sales volume, specialization and employment levels in sales.
- Characteristics of the compensation programs received by each of six groups of sales and sales management employees.
- Estimates of compensation levels received by the highest, average and lowest paid individuals in each of the six categories of employment groups.
- Estimates of the amount of business generated currently and in the future as "house accounts" and through telemarketing activities.
- Extent and frequency of usage of various types of compensation, such as salary, commission, bonuses, etc. offered to each of the six groups.
- Availability of various fringe benefits such as health, liability, dental and life insurances, pension, and educational programs and the level of company contribution to each.
- Measures of satisfaction with current compensation programs.
- Evaluation of hiring practices and employee turnover influences.
- Structure of commission, automobile and entertainment programs.
- Changes expected in compensation programs over the next 3–5 years.

The publication will also include articles by experts and workbook style sections to evaluate your current program.

FOLDING CARTON TONNAGE NEAR RECORD

During calendar year 1984, folding carton shipments exceeded $3 billion dollars for the first time.

The industry missed setting a new folding carton tonnage record, ending the year just 19,000 tons short of the all time record tonnage established in 1979.

However, pre-tax margins continued to improve for the fifth year in a row since the recent low point in 1979, according to the PPC analysis of industry performance for 1984.

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AL DUVAL WINS STANLEY O. STYLES INDUSTRY EXCELLENCE AWARD

Albert F. Duval, chairman and chief executive officer of the Hammermill Paper Company, has won the 1985 Stanley O. Styles Industry Excellence Award. Given annually to the industry leader who exemplifies the qualities of the award's namesake, the Industry Excellence Award will be presented at the Chairman's Luncheon to be held on October 7, 1985 in New York City during the NPTA Annual Convention.

As he now approaches retirement on his 65th birthday, Al Duval looks back on an illustrious career in the paper business. His accomplishments are many, his leadership unequalled.

Al Duval is the only man to have held the elected office of chairman of the board of the American Paper Institute twice. He has been a tireless worker on industry issues and has been a strong supporter of the paper merchant industry.

On July 1, 1985, John J. Buckley, Jr., president of NPTA, met with Al Duval in his offices in Erie, PA to announce to him the decision of the Association's board of directors. He was surprised to have been selected as this year's recipient of the award and spoke candidly during the interview that followed.

MN: To begin, it is fair to say that one cannot be successful in business without a good combination of business with family. Tell us a little about your family.

DUVAL: I've been very fortunate. I married a beautiful gal in 1947 and we have had eight children, six girls and two boys. Four of our children are married. We all get along great and I feel I've been blessed all the way around.

MN: Any of your children in the paper business?

DUVAL: No. None of them are.

MN: Is there a philosophy that has guided your life either professionally or personally?

DUVAL: I've always tried to keep things in perspective. What seems important today may not be tomorrow. I've tried to look at the "big picture" and also tried to put myself in the other person's position. Maybe that comes from all my years in selling. The ability to look at things from the buyer's point of view—the other side of the equation. I try to do that in my everyday work as much as I know how.

MN: Are you a good salesman at home too?

DUVAL: Well, perhaps that's my weakest part because I have a stronger salesman there. I'm not the sales manager there!

MN: If you could look back and pick out what you feel has been the most important thing that has happened in your career, what would it be?

DUVAL: I've had a lot of good breaks and good opportunities. The single most important thing for me in business was my joining the Hammermill Paper Company in 1960. I didn't know that at the time, actually.

MN: Of all the people you have met over the years, is there one person that stands out that has impressed you the most?

DUVAL: The President of the United States. I had the opportunity to share a cocktail and chat with him some years ago when he came to Erie. I had been impressed by his philosophy and his two terms as governor of California. I feel his leadership has been good for our country and our citizens. Although he is not a man I spend a lot of time with, I'd say he's the one I admire most.

MN: You are now getting ready to retire after 40 years in the paper business. What would you like people to remember you for most?

DUVAL: I would like people to feel that during my CEO years at Hammermill (the last 15 years) that we were able to bring together the many human factors at the company to create something that will live on into the future and will be good for all those who are or will be connected with it.

MN: What would you say have been the major changes that have taken place in paper manufacturing during that time?

DUVAL: Well, it has grown much larger. There are far more large companies today than there were when I started in the business. The cost of producing the products in our industry is so high today that a small company cannot participate except in a very limited sense. So, it takes tremendous investments. We talk in our company about the rebuilding of an older paper machine and that's in the neighborhood of $8–10 million. When we look back through the records, we find that the machine cost less than $1 million when it was purchased. The funds necessary to produce in this business today make it a different business. That is certainly one of the biggest changes.

The other change, I suppose, is something that hasn't changed at all but I mention it because it is something that was predicted to change. In my early years in the paper business, there was constant discussion that the paper merchant would not be a strong, viable force; that manufacturers would more and more take their products directly to the marketplace. I think that if we had taken a poll in the late fifties or early sixties, we would have found that that was the predominant feeling. I never felt that would be good for our industry. And I am happy to say that I was right! Now, 30 years or so later the paper merchant today is as strong or stronger than he was at that time. The places where he does a great job is appreciated by the mills and there is an equilibrium of understanding about that issue that makes it good for both sides of the equation.

MN: What would you say has been the paper manufacturing industry's greatest achievement during that time?

DUVAL: The industry is proving every year that it is a very viable, strong industry that can compete on a world-wide basis, because we are blessed in this country with the basic raw materials and the needed capital. Eventhough there are some temporary setbacks right now because of the value of the dollar, the fact is that over the long haul the paper industry, perhaps more than any other single, large, basic industry in America is healthy world-wide. When you look at coal, steel, aluminum or automobiles you see that they have gone through a lot of trauma in the past decade or two and many of them are not doing well and have doubtful futures. That isn't true of the paper industry. We have done well and I think the paper industry's future is unlimited.

MN: Is there something that the paper industry should have done, but hasn't during that time? —a negative that should have been corrected?

DUVAL: There is a constant problem that the industry has been working on for years and we just haven't done well enough. And that is the public relations aspect with regard to the average person's understanding of just what our industry is doing. The industry gets knocked from time to time for not taking care of the forests or generating pollution. On a specific case basis this could have been true at one particular time, but this has not been generally true. And the industry has not been able to sell its message.

MN: As you look into the future of the paper industry, what would say are some of the opportunities that the industry has in front of it?

DUVAL: The American paper industry has its greatest opportunities, frankly, outside of the United States. We've all done a pretty good job in this country. We manufacture high quality products that serve the purposes for which they were intended. The opportunities lie in getting these products into other markets. The recognition of the international market potential has come about only recently. But this is not something that happens over night. It will probably take several decades before it is fully realized.

MN: You mentioned the high value of the dollar that has caused some problems in terms of imported paper. Are there any other long term threats that you see for the paper industry?

DUVAL: My response really would apply to all industries. If our country, as a nation, cannot get some of its affairs in order, namely the deficit, we will all suffer. Other than that, I don't see any specific problems ahead for the paper industry specifically.

MN: To follow up on that, because of the low book value of many paper companies, some see them as ripe for takeover. Do you see that as a long-term threat?

DUVAL: It is necessary today, as I mentioned earlier, to have large units because it takes a lot of capital. Our society is complicated. People want to invest and make a profit. Because of that there have been and probably will continue to be combines within our industry. If these are done in a constructive way—and by constructive I mean that both parties look at what needs to be done to make the company better in terms of capitalization, human resources and improved products—then I feel that there is nothing to be concerned about in terms of mergers.

The industry is proving each year that it is a viable, strong industry that can compete on a world-wide basis . . .

I am concerned, however, when it is people from outside our industry that apparently want to get in and out quickly with a profit. That troubles me because it does not meet the other tests I mentioned. The customers, employees and long-term aspects of the company are not looked at in the right way. I am a strong believer in a free society so I am not looking for a lot of new rules. But, I am convinced that these things move in waves. While there are many people around who want to move in quickly on a company, I have a suspicion that some years from now that will be as unpopular, as unfashionable, as the word "conglomerate" is today.

MN: In your years as CEO at Hammermill and your time associated with the American Paper Institute, you have interacted with all of the paper industry's leaders. Is there any specific person in our industry that you particularly admired?

DUVAL: Well, there are many and it may be hard to sort them out, but I don't mind trying. In the last 25 years, the individual who headed up a paper company that impressed me the most from the contributions he made to the industry and to his company was Sox Calder. The man who I believe has probably done more for the industry in the sense of his hard work on tough issues is Dave Luke at Westvaco. This industry is made up of some very fine people.

MN: Is there anyone that you have used as a role model, or someone that you wouldn't mind being compared to?

DUVAL: Well, there is a man that I was heavily associated with here at Hammermill and certainly is a person I admire and at times would act in ways that I thought he would act is Don Leslie, Sr. The person who I have observed in the paper distribution business, and who has been my closest friend over the past 40 years and whom I would be glad to be compared to in any way is Bill Zellerbach.

MN: Bill was our first recipient of the Stanley O. Styles Industry Excellence Award.

DUVAL: Yes, and this is certainly a great honor.

MN: Hammermill has a long history of support for paper distribution. Why has the company developed that kind of philosophy?

DUVAL: We are indebted to our forefathers. We are now completing a book on the history of the company. As you look at the history of Hammermill, the single most important fact that jumps out is that a decision was made early on to distribute the products through merchants who were appointed agents. And secondly, the idea of promoting the company name to create a bond or recognition for future business. And that's the way things turned out. No matter how tough things have been at times in the past, Hammermill has never cut its advertising budget while others have. Hammermill has advertised consistantly since 1912 and has never missed a year.

MN: In addition to your strong support for your appointed merchants, Hammermill itself *has acquired paper distribution companies. Why has the company moved in that direction?*

DUVAL: In the early sixties, we got into that because one of our very good merchant friends was selling and it seemed that it would be best to protect what might occur if we didn't acquire him. So we really got into it in a defensive way. Later on we realized that because we had dealt with merchants for so long, that we thought like a merchant. And so we've had outstanding success in the merchant business and that has become the largest part of our business in terms of dollar sales. We are looking forward to 1986 when we go over the $1 billion mark. We are very comfortable with the merchant business and we know the people that run these businesses on a daily basis are comfortable with us.

We don't look at distribution as an outlet for manufacturing. It is a business that deals with manufacturers. In their case, it's distribution first and manufacturing second. We're not sure if everyone else does it that way.

MN: In the past five years under the Commercial Distribution Associates banner, you moved out of printing paper and into industrial paper products. Have there been any surprises?

DUVAL: No there haven't been. It's worked as we hoped it would. We wanted to extend ourselves further into distribution. It's somewhat different, but it is very similar in many ways. It has been very successful for us.

MN: There has been a trend in distribution toward mergers in the past 10 years. Do you think this has had a positive or negative influence on the market?

DUVAL: I don't think it's been either. From the standpoint of the end-user of the products, it makes no difference. Whether he buys from a small independent merchant or a branch of a larger chain, it doesn't make any difference to him.

From our standpoint, it isn't a threat to the marketplace or a help. I wouldn't say that a Hammermill – owned paper merchant is better than any other paper merchant because he is owned by us. I think what makes a merchant better is if he has access to the necessary finances, good management and is doing a good job in the marketplace. These things can happen whether the company is independent or owned.

MN: You have had the distinct honor of being the only man to have served as chairman of API twice. With all your years of experience and time you've spent in the association world, what do you think is the role of the association, in general, in business today?

DUVAL: I think they serve a tremendous purpose. First of all, they provide information that helps a company operate more efficiently and productively. That's the reason I join anything. There has to be some benefit for my company. However, like most good things in life the benefits usually come if someone is willing to put forth the effort to make them happen. If there aren't people willing to serve, than those benefits, over a short period of time, will evaporate.

I have found in the associations having to do with the paper business that there are good people willing to serve. One of the outstanding examples, to me, is the American Paper Institute because on the executive committee there are 18 CEOs of large companies that meet monthly. And at a typical meeting there are 15–18 in attendance. These are people from all around this country and they come together monthly. They wouldn't do it if they didn't feel strongly that there was something good coming out of it.

MN: Do you think that the role of the trade association will remain the same or become more or less important in the years to come?

DUVAL: If anything, they are going to become more important. They are already important. Their major purpose, in the complicated world we have today, is to interface with government. The rules and regulations are so complex and changing that it is almost impossible for companies to do their own interpretation. That is going to become of international importance, not just national.

The necessity of having facts that only can be received through a trade association and the ability to do something about those facts as a group is much more effective than trying to go it alone.

MN: Is there anything else you would like to say to the paper merchant managers and other industry leaders who will be reading this?

DUVAL: I've always been proud of the paper distribution business in this country. And what I have seen occur in it during the last 25 years, I have become more proud. I am sure that the future is very bright.

If I had young people in my family who were betting their future by going into the paper distribution business or investing in it, I would encourage them because I think they would be on the right track.

MN: Thank you very much.

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NPTA CONVENTION '85 UPDATE

The 1985 Annual Convention of the National Paper Trade Association is scheduled for October 5–8 in New York City. Merchants and suppliers are now making plans to attend the event of the year for the paper distribution industry.

1 • 9 • 8 • 5

The following schedule has been updated for *MN* readers. Take a moment to review it. There are many special happenings in New York City at the NPTA Convention this Fall.

If you have not received the necessary registration forms, call NPTA Headquarters at 516–829–3070.

HOTEL ROOMS

NPTA has block-reserved rooms in each of the Convention hotels. These room blocks must be relinguished by the Association on September 13, 1985. At that time, hotel rates will go up to their usual level and the benefit to NPTA Convention goers will be lost.

For room reservations (not suites) call the following hotels directly: **New York Hilton:** 212–586–7000; **Sheraton Centre:** 212–581–1000; **Sheraton City Squire:** 212–581–3300; **Warwick:** 212–247–2700.

For suite reservations, call NPTA Headquarters at 516–829–3070.

Jack Carew

SATURDAY, OCTOBER 5

Winning With People: 10:00 a.m.–12:30 p.m.

This exhilarating, two and one-half hour presentation by Jack Carew deals with the quality of human relationships and clearly demonstrates the value of cooperation and teamwork, and is hosted by the Young Executives Forum of NPTA. *This session is open to all.*

Instantly, the audience will be involved in an exciting personal event that provides the critical awareness of how their attitudes and communication behaviors affect others.

They are then given the practical tools for behavior modification as it relates to the long-term relationship versus temporary arrangements.

Each participant will then focus on: the creative management of anger, stress reduction and positive coping, initiating new relationships, rebuilding broken relationships.

Next the audience is engaged in a practical, group problem-solving event requiring each team member to be a thoughtful, caring communicator. As the teams compete for honors and humorous prizes, each participant experiences the value of warm, sensitive communication and collaboration during this teambuilding adventure.

The entire experience is fun, exciting, involving, and non-threatening.

Young Executives Luncheon:
12:30 p.m.–1:30 p.m.

This special luncheon for young executives is a time when up-and-coming managers can meet and share experiences. Tickets are required: $35.00 (Use Special Events Form to order tickets.)

Young Executives Forum Workshop:
1:30 p.m.–2:30 p.m.

This workshop is open *only* to members of the NPTA Young Executives Forum. To join the YEF, contact NPTA at 516-829-3070.

Customer Base Expansion: Improving Your Competitive Edge: 3:00 p.m.–4:30 p.m.

This year the Industrial Paper Division of NPTA will present a session on "Customer Base Expansion: Improving Your Competitive Edge," the second in the New Frontiers in Industrial Paper Distribution series.

Discussed will be ways merchants can better market their company's services and products, through public relations activities, brochure development, promotional activities and client presentations. Customer expansion will be discussed both from the vantage point of new products to current customers and additional products to attract new customers. The objective is to make each customer and each delivery more profitable and cost effective. Research has shown that customers are buying products that paper merchants could very easily supply. This session will help merchants see the advantages of better merchandising of accounts and the additional product needs of current and prospective customers.

(Continued on page 22)

SPECIAL EVENTS

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Spouses Program and Chairman's Luncheon

SATURDAY, OCTOBER 5

12:30 p.m.–4:00 p.m.

Since many spouses will be checking into the hotel on Saturday morning, NPTA has scheduled a leisurely elegant luncheon at one of New York's finest hotels, the Sheraton Centre. After lunch, guests will stroll along the world famous glass canyons of Avenue of the Americas, past the headquarters of the media industry and other corporate giants. Then Convention spouses will proceed to one of the most unique experiences in town, "The New York Experience," a multisensory audio visual extravaganza that both dazzles and educates people about the story of "The Big Apple," past and present. It is an unforgettable experience that all guests will remember for a long time to come.

Cost: $37.00 per person

SUNDAY, OCTOBER 6

12:00 Noon–5:00 p.m.

The day will begin with a lovely tour in our motorcoach of the outdoor gardens of the New York Botanical Gardens. After these breath-taking views, it will be off to a lovely luncheon on the grounds and the gardens of the Snuff Mill Inn overlooking the river and a cascading waterfall.

After lunch, Convention spouses will take an hour-long tour of the Glass Conservatory containing thousands of exotic flowers, trees and plants. The professional guide will be an expert from the education department of the gardens and this special tour promises to be both interesting and informative. Included will be a visit to the excellent flower and gift shop on the premises.

On the way back, guests will tour the Upper West Side including the Cathedral of St. John the Divine, Grant's Tomb, Columbia University and an overlook of the Hudson River.

Cost: $43.00 per person

MONDAY, OCTOBER 7

9:30 a.m.–12:00 Noon

The morning will begin with a visit to the United Nations building where Convention spouses will be personally welcomed by a member of the United States delegation Committee and will be taken on a tour of the building, including the meeting rooms, the art works and exhibits. There will be an opportunity to visit the unusually lovely gift shop at the United Nations. If weather permits, guests can stroll through the grounds of the building. Then on to a bus for an exciting tour of Sutton Place and other east side points.

Cost: $17.00 per person

HENRY KISSINGER TO KEYNOTE AT CHAIRMAN'S LUNCHEON

Recipient of the Nobel Peace Prize and the Presidential Medal of Freedom

Dr. Kissinger has been praised as one of the most brilliant Secretaries of State in the history of the United States. His rare eloquence and wit have made him one of the most popular speakers—not only here in America, but throughout the world! A Secretary of State under two Presidents, he was also National Security Advisor for six years, and continues to be sought after for his expertise in foreign affairs—having most recently served as Chairman of the Bipartisan Commission on Central America.

Upon leaving the State Department, Dr. Kissinger accepted the positions of University Professor of Diplomacy at the School of Foreign Service and Counselor to the Center for Strategic and International Studies, both at Georgetown University. He is also a Director of the Foreign Policy Association, a Counselor of the Chase Manhattan Bank and a member of its International Advisory Committee, and a member of the Council on Foreign Relations. Among his other activities, he is Chairman of the Board of International House, Trustee of the Rockefeller Brothers Fund, Trustee of the Metropolitan Museum of Art, and Contributing Analyst for ABC News.

Among the awards Dr. Kissinger has received have been the Nobel Peace Prize in 1973 and the Presidential Medal of Freedom, this nation's highest civilian award, in 1977.

Dr. Kissinger was born in Fuerth, Germany, on May 27, 1923, came to the United States in 1938, and was naturalized a United States citizen on June 19, 1943. He served in the US Army from 1943 to 1946. He received a BA degree summa cum laude at Harvard College in 1950 and the MA and PhD degrees at Harvard University in 1952 and 1954.

From 1954 until 1969 he was a member of the faculty of Harvard University, both in the Department of Government and the Center for International Affairs. He was Director of the Harvard International Seminar from 1951 to 1969. He served as consultant to the White House during the Kennedy Administration and to the Department of State during the Johnson Administration.

Dr. Kissinger married the former Nancy Sharon Maginnes on March 30, 1974. He is the father of two children, Elizabeth and David, by a previous marriage.

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Chairman's Luncheon: *Stanley O. Styles Industry Excellence Award Presentation: Henry Kissinger Keynote Speaker*
Monday, October 7, 1985
12:30 p.m. - 2:30 p.m.

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Young Executives Forum: *Winning With People*
Reception, Luncheon, Special Meeting
Saturday, October 5, 1985
12:30 p.m. - 2:30 p.m.

Please Reserve:
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Spouses Program: *Experience New York*

Saturday, October 5, 1985
12:00 Noon - 4:00 p.m.
"NY Experience"

Please Reserve:
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Sunday, October 6, 1985
12:00 Noon - 5:00 p.m.
"Days of Wine & Roses"

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Monday, October 7, 1985
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"United Nations"

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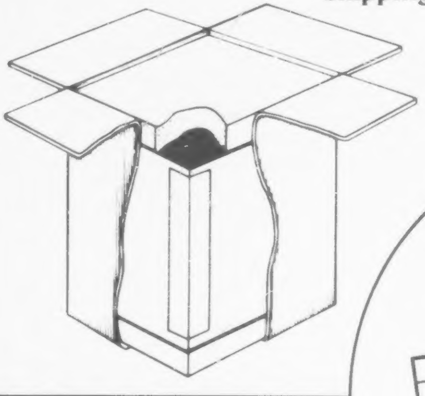

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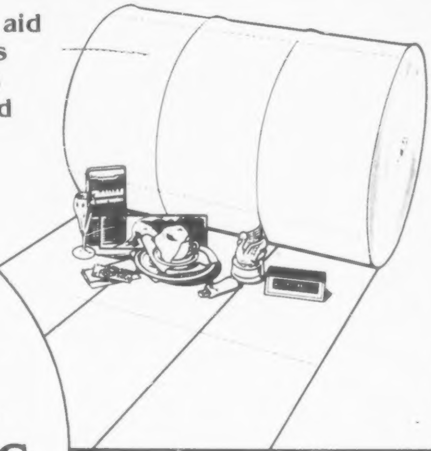

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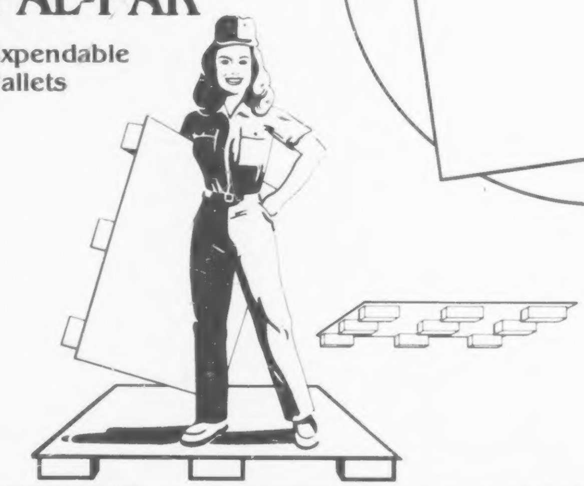

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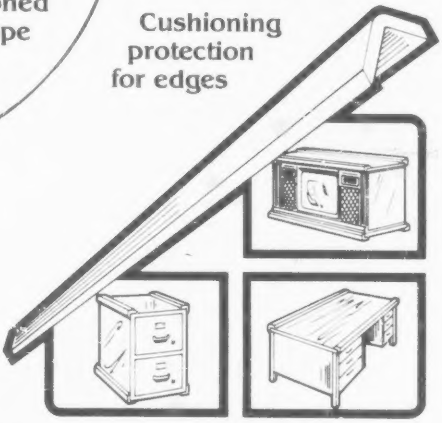

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SUNDAY, OCTOBER 6

General Business Session: 10:00 a.m.–11:30a.m.

This program is always a most informative session for Convention attendees. New York City's Mayor Ed Koch has been invited to welcome all to the NPTA Annual Convention and Exposition. Mayor Koch, a nationally known politician and leader, is expected to greet paper merchants and suppliers from around the country and welcome them to the "Big Apple."

John McDevitt, economist for the 3M Company will present "Economic Trends That Will Impact on the Paper Distribution Industry." His talk will be of interest to all in attendance.

Following McDevitt's presentation, noted author George Plimpton will speak about his great variety of experiences that have led to the publication of his 12 books. Come to hear this most amazing man speak his about intriging life.

NPTA Annual Business Meeting:
11:30 a.m.–12:00 Noon
NPTA Members Only

The Annual Business Meeting of the National Paper Trade Association is an opportunity for members to learn of the activities of the Association in the past year. It is also a time to help forge the direction the Association will take in the industry.

MONDAY, OCTOBER 7

Continental Breakfast: 8:30 a.m.–9:30 a.m.

The exhibitors at the 1985 Exposition invite all to a continental breakfast held on the floor of the Show. It is their way of saying "Thank You" to all of their friends in the paper distribution industry.

Implementing Successful Printing Paper Marketing Programs: 10:30 a.m.–12:00 Noon

Most paper distributors have many of their past "new" products still in stock. How can the odds be increased when launching a new printing paper product line and cut down on potential cash traps? This presentation, by noted marketing expert D. Bruce Merrifield, identifies 10 marketing guidelines that will help merchants select products (new or old) that will fit the distributor's competitive strategy. It also reviews the process that will help maintain the promotional persistance and focus necessary to get the product line going.

The key benefits of Merrifield's approach are to select printing paper product lines that will yield the best return on invested time as well as inventory; to reduce future cash traps; and fit the scope of most productive customers and the company's style of business. This is a meeting of the Printing Paper Division of NPTA.

Preparing For The Future Reception:
12:00 Noon–12:30 p.m.

As a prelude to the Chairman's Luncheon, this cash bar reception is an opportunity for all Convention attendees to meet and greet one another.

Chairman's Luncheon: 12:30 p.m.–2:30 p.m.

The highlight of the 1985 Convention and Exposition will be the annual Chairman's Luncheon with proceeds going to support the Paper And Plastics Education Research (PAPER) Foundation. At this event, the Stanley O. Styles Industry Excellence Award will be given to Albert F. Duval.

The keynote speaker for the event will be Henry Kissinger, former Secretary of State and internationally known statesman. His message about the role of the United States in foreign affairs will be valuable for all.

The Chairman's Luncheon is a very special event and Convention registrants are encouraged to purchase tickets early. Luncheon tickets will *not* be available on-site. Tickets are $75.00 each. $15.00 of each ticket represents a donation to the PAPER Foundation. Tables of 10 are $700. (Use the Special Events Order Form to order tickets.)

Paper Merchant Retail Cash & Carry—A to Z:
2:30 p.m.–4:00 p.m.

A look at the necessary ingredients to run a successful paper merchant retail operation. Among the subjects discussed will be store layout, advertising promotion and product selection. This is a program that should not be missed by anyone operating a store or interested in starting such an operation.

(Continued on page 24)

HAMMERMILL PAPER COMPANY

On June 28, 1898 a few men stood on the banks of Lake Erie. Without ceremony, without publicity, Ernst and Otto Behrend turned over the first spade of earth for the foundation of the paper mill they were building. It was to be established on the basis of a new manufacturing process: the use of sulphite wood pulp coupled with the latest inventions for bleaching. This was a revolutionary idea because in those days there were no low-cost, good, durable, white business papers available.

Prior to the founding of Hammermill, fine papers were expensive and made almost entirely from the cellulose fibers obtained from rags.

The founders of Hammermill also had innovative employment concepts. Before the turn of the century, papermakers were, as a rule, vagabonds hoppings from one mill to another. In spite of industry skepticism, the Behrends decided to train their own papermakers, dispense with the hiring and firing practices which then prevailed, and build a stable, dependable firm which offered its employees job security and opportunities for advancement.

The Behrends had a dream and hoped that some day Hammermill would employ as many as 200 workers. Their dream has been more than fulfilled.

Hammermill is still headquartered in Erie, PA on a 225 acre tract close to the site of the original mill but today its annual sales amount to nearly two billion dollars and the company is listed as one of our nation's major corporations.

Of course, Hammermill now consists of more than just one paper mill. At this time, twenty divisions and more than 12,000 employees are active in five distinct but interrelated businesses: the manufacture of fine printing and writing papers; distribution of paper and related products; production of specialized industrial papers; paper conversion; timberlands management and wood production.

Each division operates as an individual company, acts as a separate cost center and assumes the responsibility for developing the products and services required by its particular markets.

All the divisions, however, subscribe to the basic management philosophies of the corporation. These, of course, include the traditions of employment security, advancement opportunity and respect for human dignity which have been part of the company since its inception in 1898.

Additionally, because Hammermill Paper Company is socially responsible and deeply concerned about the problems of today, the entire corporation is actively involved in protecting the environment, conserving energy, and preserving the nation's natural resources for the use of future generations. Furthermore, the company encourages all of its employees to participate in local affairs and assume leadership roles in their individual communities.

Hammermill Distribution Group

Each of Hammermill's four merchant chains operates as a separate company and serves a specific geographic area. And, although this business group concentrates on paper distribution—fine and industrial papers comprise about 80% of total sales—each division also merchandises other products.

Carter Rice which joined Hammermill in 1966 has 18 branches located along the Atlantic seaboard from Maine to Washington, DC. The division's primary business is the sale of printing, specialty and industrial papers produced by many of the nation's leading mills.

Western Paper Company: Western Paper Company became a part of Hammermill in 1961 and has 39 branches that fan out over the central, southern and western states. Many manufacturers produce the fine and printing papers which account for a large part of Western's sales but the division also distributes graphic arts supplies and equipment, including such major items as large printing presses and trimmers.

CDA Distributors: Organized in 1977, differs from the printing and graphic arts emphasis of the aforementioned divisions. It specializes in merchandising products such as packaging materials, industrial papers, maintenance supplies and chemicals.

Industrial Material Distributors: Industrial Material Distributors, an international marketing organization engaged in the distribution of paperboard and specialty papers, was formed in 1981. These companies concentrate on serving the needs of corrugated container and paperboard box manufacturers. The Division also sells wood pulp and chemicals to paper manufacturers.

Wholesalers are always looking for good lines, but merchant-mill ties are historic and good franchises are difficult to obtain—a merchant must "earn" the right to distribute a product. For example, Carter Rice's Boston branch and Western's Omaha branch started selling Hammermill paper back in 1912, long before the firms became part of Hammermill Paper Company. They did so simply because it was good business then, as it is today, to supply their customers with the high quality paper they want.

And, giving customers what they want, when they want it, is the Distribution Group's goal. This goal is met through an operating philosophy of highly decentralized management. The local management at over 75 merchant locations has the primary responsibility for determining which products and services will be provided to meet customer needs in their own individual markets.

The 2,500 employees make Hammermill's Distribution Group people intensive. Management recruits and develops an effective sales force which, in turn, helps attract high quality lines such as Hammermill, Beckett, Strathmore, S.D. Warren, Consolidated, International, Eastman Kodak, 3M, Scott and Mobile. This is most important because a second-rate line is difficult to sell, even by a good salesman and a quality line will "die" if it is not properly sold and serviced.

Because this business segment serves various markets, it is not as greatly affected when a business downturn hits a certain industry or geographic area. In this way, the Hammermill Distribution Group makes a major contribution to the company's economic stability. For Hammermill, it will continue to be a major growth business.

CONVENTION UPDATE

CONTINUED FROM PAGE 24

Peter Mullins

Dave Hoods

TUESDAY, OCTOBER 8

Managing Customer and Product Line Profitability: 9:00 a.m.–11:00 a.m.

Dr. Peter Mullins, the national recognized financial management consultant, will present this "Management Conference" program for those who want to know how to manage the profitability of both customers and products more effectively. Dr. Mullins is presenting a series of full-day workshops for NPTA on this subject around the country. He will offer this special two hour session for those who may not have had the opportunity to participate in his day-long session.

This subject is vital for paper distributors and is targeted at top management. It will help Convention attendees focus on what the merchant should do to identify, inventory and deal with suppliers more effectively.

Establishing the Highest Value for Your Business: 9:00 a.m.–11:00 a.m.

Those who own their companies know the importance of determining its value. The Geneva Corporation specializes in providing small to mid-size business owners with information and consultation about selling their businesses, determining value and planning the transfer of ownership within the family. Dave Hoods, president of Geneva Marketing Services, will make the presentation.

To determine the price of a business, a company's past and current financials must be recast to reflect the true, higher current value. And more importantly, future earnings and cash flow must be projected based on valid, objective market research. This presentation will give those attending good insight into what is important in this evaluation and how to go about it.

Management Roundtable: 9:00 a.m.–11:00 a.m.

This part of the Annual Convention gives participants a chance to form discussion groups and share thoughts and concerns in a more formal way. Roundtable discussion groups have proven to be a generator of both new ideas and solutions to old problems. Those electing to be involved in the Management Roundtable will select the topic; NPTA will structure the session.

To avoid any conflicts of interest, competitors will not be seated at the same table. This means that those wishing to participate must pre-register with the NPTA headquarters office. (Use the Meeting Attendance Form.)

STANDARD PAPER

SP/DP™

DISTRIBUTOR PACKAGE

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GENERAL MANAGER
OF ARROW PAPER
SOMERVILLE, MA

ARCHY PENNA
OWNER
OF ARROW PAPER
SOMERVILLE, MA

CAN TWO GENERATIONS AGREE ON A COMPUTER?

I CARE HOW IT WORKS. It allows me to watch the pricing on ten salesmen. By monitoring price changes and pinpointing shaky pricing levels before invoicing, we have increased our GTM by several percentage points. We get our bills out faster, and close the month on time. Inventory forecasting helps me buy better, turn the inventory faster, and keep slow-moving items to a minimum. All without any in-house programmers or specially trained people.

I DON'T MUCH CARE HOW IT WORKS. I care about what it does. It has given us the tool we never had to control accounts receivable and contain inventory. Three months after we got the Qantel with the Standard Paper package we were out of the bank (for the first time ever), and since then have improved our cash flow by hundreds of thousands of dollars. Any owner can appreciate what that means, especially these days.

THE BOTTOM LINE?

As Robert puts it, "We paid for our Qantel system in less than 12 months with improved profits and efficiencies." With results like that it's easy to see how QANTEL is helping to bridge the generation gap.

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FIRST CLASS IN MANAGEMENT DEVELOPMENT GRADUATES

In an era of rapid technological change and increased competition, the need to train and educate managers has become more urgent. NPTA, in recognition of this emerging need in the paper distribution industry, established its two-week Management Development Program at Miami University, Oxford, OH.

NPTA was pleased to hold its first complete session of the Management Development Program on October 28–November 2, 1984 and May 6–10, 1985. The first graduating class of 16 managers completed their two-week program committed to professional growth and development in managerial and supervisory skills.

Week one of their intensive curriculum included course work in: financial management, market analysis, strategic marketing, credit and collections. Week two included: time and stress management, leadership, performance evaluation, supervisory training, problem solving, interpersonal and organizational communication.

The complete two-week program offered its participants a variety of teaching formats: lectures, case studies, group interaction with an individualized marketing project to be completed back home between the first and second weeks. "The program created a bridge between the university setting and the need for specialized training. It was designed for those managers who want and need a formal review of both the theory and practice of running a paper merchant operation," said John J. Buckley, Jr., NPTA president.

Seven professors, nationally recognized in their fields, made up the program's faculty. The majority have significant business experience and are currently engaged in a wide variety of consulting services for industry and government. Miami University is considered one of the 20 most selective state universities in the country and has one of the finest business schools.

Richard Vandergrift, PhD from the university's Center for Management Services said, "Following the graduation of our first NPTA Management Development Program group, we at Miami University are enthused and excited in being a part of a long range management and industry development program. The high caliber and professionalism of our graduates truly suggests that the industry will be enhansed."

Participants agreed that the program was worth the time and expense. "The Miami University Management Development Program gave me a better understanding of my working environment—human resources and my market place," said Don Dial, vice president and branch manager of Carr Paper Company of Indio, CA. Without a doubt, I would highly recommend this program to any manager interested in gaining the skills necessary to run his business more efficiently and profitably."

Peter Tomasini, vice president of sales, The Dowd Company, Inc., Woburn, MA said, "After attending the second session, I am fully convinced that the NPTA Paper Distribution Management Program was a total success. The presentations and workshops in strategic planning, employee relations and team building were especially timely, informative and lively. My investment in time in attending this program was well spent, and I highly encourage other managers in our industry to attend."

"This program emphasized case studies and group discussions as well as small work groups," said Bob Breedlove, general manager, Unijax, Orlando, FL. These sessions gave us the opportunites to share common experiences. The program offered a nice balance of theory and practice."

Steve Ohrman, vice president and general manager of Supplyways, Inc., Portland, OR said, "It is a real honor to be one of the first graduates of this great NPTA–sponsored Management Development Program. The educational program was directed totally to the needs of the mid to upper management level in our paper distribution field. I know my company will benefit greatly from the ideas learned at Miami University."

"TO OLD MIAMI"

To Old Miami, where we all came
To learn and strive for business gain.
Men thrown together in brick-laid halls
Away from wives, where duty calls.

Our professors wise, their experience great
For our classes, they were never late.
Their comments were smart, and to the
point
Upon our heads, they did annoint

To know-how needed to strategic plan
To separate us from also-rans
Financial analysis, and PAR Reports
And terrible jokes, as last resorts.

What is management, and motivation?
A little drink, no procreation.
Stalwart boys, down to the last
Brilliant minds, and wits so fast.

We were all troopers, put on our shorts,
Up every morning, to stretch and snort,
On day one, there were twenty-three
By Friday morn, eight did we see.

Steve, Bob, Howard, J.B., Alan, Don,
Phil and Peter, Eddie and Ron.

Mike, Bill, Bob, and all that are left,
Are this Jeff, that Jeff, and the other Jeff.

We took a vote on our favorite teachers
The one's who were relevant, who were great speakers.
With Olsen's statistics our foundations were laid,
Except on his humor, which got very low grades.

Watson and Speh, and Healey and Healy,
Snavely, Mc'Neill were excellent, really.
But the man who was the real pace-setter,
Was the man who tied it all together!

But seriously now, as we say goodbye,
Our time has been fun, our allegiances lie,
With each-other, with Miami and you,
We thank you all, for all that you do!

This was presented orally to the full entourage of the NPTA-Miami University Management Training Program staff, freshman class and the first graduating class whose names appear within the text of this ode.

Any similarity to real persons or circumstances was deliberate. *Jeffrey H. Grover, National Paper & Packaging Company.*

PROGRAM GRADUATES

Howard Adcock
Branch Operations Manager
Brame Specialty Co., Inc.
Durham, NC

Dennis Filkoski
Vice President & General Manager
Butler Paper Company
Denver, CO

Don E. Dial
Indio Branch Manager
Carr Paper Company
Pomona, CA

J. Mike Lease
El Centro Branch Manager
Carr Paper Company
Pomona, CA

Peter Tomasini
Vice President of Sales
The Dowd Co., Inc.
Woburn, MA

Jeffrey Kirchmer
General Manager
General Paper Co.
Pittsburgh, PA

James E. Bliler
Sales Manager–
S. Bend/Hammond Branch
Inlander-Steindler Paper Company
Elk Grove Village, IL

Edward Klaskow
Sales Service & Purchasing
JB Papers Inc.
Union, NJ

Ron Esper
Vice President
Morris Paper Company
Pittsburgh, PA

Jeffrey Epstein
Operations/Production Manager
National Paper & Packaging Co.
Cleveland, OH

Jeffrey H. Grover
Territory Representative
National Paper & Packaging Co.
Cleveland, OH

Phil Christensen
Sales
The Ohio and Michigan Paper Co.
Toledo, OH

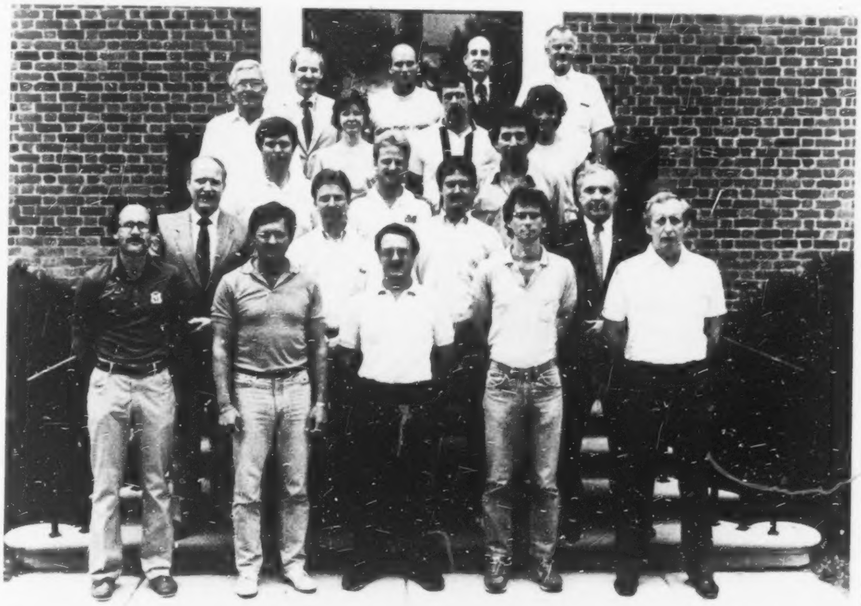
Alan Leininger
Executive Vice President
The Ohio and Michigan Paper Co.
Toledo, OH

Bill Cook
Sales Manager
Ropak of Texas–
Div. of Hammermill
Dallas, TX

Steven F. Ohrman
Vice President and General Manager
Supplyways Inc.
Portland, OR

Robert C. Breedlove
Branch General Manager–
Orlando
Unijax, Inc.
Orlando, FL

For a descriptive brochure providing more information on the next Management Development Program, contact the NPTA Education and Training Department at 516–829–3070.



The first graduates and staff of NPTA's Management Development Program

MERCHANT INVENTORY MANAGEMENT

Inventory management is always a key issue for paper merchants today. NPTA's PAR (Performance Analysis Report) survey of 1984 merchant operations revealed that between 30.2% and 32.3% of total assets on a typical merchant's balance sheet consists of inventory. This percentage dropped substantially from 36.1% in 1983 to 32.3% in 1984 for dual merchants. For industrial paper houses this figure dropped slightly from 32.8% to 32.3%. Printing paper merchants' inventory constituted a slightly higher share of total assets, 30.2% in 1984 versus 29.6% in 1983.

Inventory turnover is a critical indicator of the health of a paper merchant's business. It is defined as: cost of warehouse goods sold relative to average inventory (average of beginning and ending yearly inventory). Averaging is needed to smooth out seasonal fluctuations.

For all three types of merchants, inventory was turned over faster in 1984 than during 1983. The "composite average" rose from 4.80 to 4.93 times yearly for printing paper houses, from 6.26 to 6.32 times for industrial houses, and from 5.76 to 6.43 times for dual merchants.

By size of company, some interesting facts are revealed. In printing paper, turnover was fastest for firms with sales under $8 million and $15–50 million. This was also true in 1983. For industrial houses, the fastest inventory turnover was posted by companies in the $12–25 million sales class, 9.16 times annually in 1984, far higher than the "all firms" average. This was also true in 1983 (8.32 times). In dual merchant firms, the fastest inventory turnover was by the largest firms, with over $65 million in sales. Their turnover rate was 6.53 times.

Turnover, however, should not be analyzed alone. Gross trading margins are also critical. Faster inventory turnover is desirable up to the point where handling, delivery and order processing costs become burdensome. Therefore, the most sought-after situation is a balance between good turnover and good margins. A measure which incorporates turnover and profits is the *turn & earn index.*. It is defined as inventory turnover multiplied by gross profits earned on warehouse sales, and is a more comprehensive measure of product line profitability.

Referring to the table on this page one can see that this turn & earn index dropped slightly in 1984 for both printing and industrial houses. This is due to the fact that gross margins dropped while turnover improved. (The turn & earn index is discussed in the "PAR User's Guide.")

Another useful measure in the table is *days sales in average inventory*. It is calculated by dividing the average monthly inventory by average warehouse cost of goods sold per day. This figure stood at 47.27 days for industrial houses in 1984 (vs. 53.76 in 1983) and 68.92 days for printing houses (vs. 77.05 days in 1983).

The ROTA (Return On Total Assets) groups concept covered in last month's "Management Information" page of *MN* (on functional area expenses) is continued in the table on this page. ROTA, or net profit on sales divided by total assets, is so vital a measure that all companies participating in PAR are ranked as high, median or low ROTA firms.

As one can see from the table, there is often a significant spread in performance between these high and low ROTA group firms. For instance, during 1984 for industrial merchants, inventory was turned over 1.23 times faster by the high ROTA companies, they had 8.36 less days sales in average inventory, and their turn & earn index was 21% higher. For printing paper merchants, high ROTA firms had a 25% higher turn & earn index but oddly had 3.49 days *more* sales in inventory, and inventory was turned over slower.

INVENTORY MANAGEMENT
(All Measures Are LIFO-Based)

Measures	Year	Median ROTA Groups	High ROTA Group	Low ROTA Group
Industrial Paper Merchants				
Average Inventory ($000)	1984	658	1,373	622
	1983	812	930	526
Days Sales In Avg. Inventory (Whse., days)	1984	47.27	46.08	54.44
	1983	53.76	48.20	52.77
Inventory Turnover (Whse. only, per year)	1984	7.72	7.93	6.70
	1983	6.79	7.57	6.98
Turn & Earn Index, (Whse., %)	1984	181.89	202.06	166.51
	1983	194.44	204.75	164.46
Printing Paper Merchants				
Average Inventory ($000)	1984	1,363	1,699	818
	1983	1,129	1,757	1,067
Days Sales In Avg. Inventory (Whse., days)	1984	68.92	73.34	69.85
	1983	77.05	66.94	73.16
Inventory Turnover (Whse. only, per year)	1984	5.30	4.98	5.23
	1983	4.74	5.45	5.04
Turn & Earn Index, (Whse., %)	1984	113.23	120.88	96.63
	1983	116.51	124.73	99.88

SOURCE: NPTA/MFI Annual PAR Survey

DRUG SCREENING

At a recent Personnel Law Update seminar sponsored by the Council on Education in Management, attorney James Severson noted that employers are becoming more interested in the drug screening of their employees. Although there are no legal constraints on pre-employment drug screening, Severson warned that such tests on current employees could evoke privacy concerns. He also said that it is unclear whether employers can impose disciplinary action in the workplace based on evidence of drug use during nonworking hours.

As an alternative to screening tests, employers have the right to search lockers and desks on company property, Severson said. Such searches should be for a specific purpose and the employees should be informed of them in writing, he advised. (Check with your corporate counsel before proceeding.)

In addition, Severson noted that legal theories that consider alcoholism an employment handicap may eventually include drug abuse as a handicap as well.

DISAPPOINTING GROWTH FOR PC SOFTWARE

The thousands of small companies that constitute the bulk of the personal computer software industry are facing a major problem—too many brands, and they all look alike. This, according to a report in the *Sales & Marketing Digest*, is causing concern for managers.

The glut of metoo products is especially acute for word processing and spreadsheet programs. A relatively small group of technical people and business analysts has been buying most of the software; these users were largely responsible for the impressive 79% growth rate from 1979 to 1984.

But market research conducted by InfoCorp indicates that this business will slow to a 26% annual growth rate. Lorraine Mecca, chief executive of Micro D Inc., a software distributor, says, "The market has slowed because all those 'technoids' have been reached. Now we have to get to the normal people."

NEW GUIDELINES COULD INCREASE CONTROL OF SUPPLIERS OVER MERCHANTS

According to the NAW Legal Counsel Louis Marchese, the guidelines do not carry the force of law, but such guidelines have considerably influenced judicial decisions in the past. Should the courts take direction from the Justice guidelines, a more rigidly controlled distributional process could result.

New Department of Justice guidelines have given manufacturers "a green light to impose non-price marketing restraints on wholesaler-distributors," according to NAW Legal Counsel. This opinion results from counsel's review of guidelines released by Justice's Antitrust division, which concluded that such restraints pose no antitrust problems in the vast majority of cases.

According to the NAW Legal Counsel Louis Marchese, the guidelines do not carry the force of law, but such guidelines have considerably influenced judicial decisions in the past. Should the courts take direction from the Justice guidelines, a more rigidly controlled distributional process could result.

While in many instances the guidelines should lend some certainty and uniformity to the evaluation of vertical restraints and, in the short run, could produce economic efficiencies in wholesale distribution, especially with regard to some of the restraints. Nevertheless, the far-reaching aspects of these guidelines can produce a traumatic impact on the industry in the long run.

Three Types of Restraints

There are three major categories of vertical (that is, manufacturer/wholesaler-distributor) restraints covered by the guidelines. It is Justice's present thinking that these restraints are *not* generally anti-competitive. Only in very infrequent situations would Justice become concerned over such distributional restraints. As things stand, however, the division feels that the following three restraints by manufacturers on wholesaler-distributors could produce greater efficiencies rather than high prices or anti-competitiveness:

1. *Territorial and Customer Restraints.* These restraints imposed by the manufacturer on the wholesaler-distributor, limit the geographic locales in which, and the parties to whom, the wholesaler-distributor may sell.

While "air-tight" restraints on the wholesaler-distributor have been challenged on antitrust grounds in the past, the guidelines relax that view. The result: a manufacturer could terminate a business relationship with a wholesaler-distributor who makes extra-territorial sales and/or sales to selected customers reserved by the manufacturer.

2. *Exclusive Dealing.* This type of restraint could require a wholesaler-distributor to deal only with a particular manufacturer, keeping that wholesaler-distributor from also carrying another manufacturer's line. It could also include arrangements in which manufacturers agree to deal only with particular wholesaler-distributors.

These restraints could lead to an increase in the number of exclusive distributorships, exclusion of competing lines, restricted availability of a product (including repair and replacement parts) and the growth of "authorized outlets."

3. *Tie-Ins.* These restraints affect the independent status of the wholesaler-distributor by requiring him to purchase a second distinct product or service as a condition of buying a first product.

This restraint could lead to forcing wholesaler-distributors to buy full lines, excluding the purchase of certain products/servcies, requiring wholesaler-distributors to handle only approved parts and/or requiring provision of certain services in order to sell certain products.

All of the above restraints would be permitted without even raising an antitrust eyebrow in cases in which the manufacturer has less than a 10% market share. Justice has put together a complicated formula to enable manufacturers to impose vertical restraints in cases where market share exceeds 10%, if that manufacturer operates in an "unconcentrated" market—or one in which competing manufacturers do not use similar restraints extensively.

If the vertical restraint does not pass the market share test, a lengthier economic situation analysis proceeds. This analysis considers factors such as ease of market entry, the degree to which the restraint is exclusionary and the manufacturer's intent.

Vertical restraints which pass either the market share or economic analysis test are not subject to further analysis.

Finally, while territorial/customer restrictions, exclusive dealing and tie-ins are non-price restraints, the Justice guidelines also permit some forms of price restraints if they are considered merely ancillary to permissible non-price restraints.

MN would like to hear from readers if they feel they may be affected positively or negatively by these guidelines. A complete set of the guidelines are available from NPTA headquarters.

PAPER MERCHANT SALES REPORT

JULY, 1985

NPTA Region	Sales Per Selling Day July 1985 - Compared To - July 1984	Sales Per Selling Day July 1985 - Compared To - June 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of July		Calendar Day Cost* of Ending June Inventory	
				1984	1985	1984	1985
INDUSTRIAL							
1	+17.3	− 9.6	+ 2.5	44	40	47	—
2	+ 3.4	− 4.2	+ 1.6	35	35	47	47
3	− 0.2	+ 0.3	− 1.2	37	39	58	63
4	− 5.1	− 1.4	− 2.8	37	36	54	55
5	− 1.2	− 2.5	+ 4.6	35	33	59	57
6	−11.8	+ 1.1	+ 0.0	41	43	—	—
7	+ 3.8	+ 1.8	− 0.9	38	36	48	56
NY	+13.9	− 6.5	+ 9.7	45	38	—	—
Chicago	+ 6.6	− 6.5	+ 3.8	36	34	—	54
LA	−12.5	−11.6	− 4.2	50	48	56	53
US	− 0.7	− 2.9	+ 0.5	39	38	53	55
PRINTING							
1	+15.0	− 3.8	+ 8.1	49	50	—	—
2	− 3.4	− 6.6	+ 2.6	46	45	59	61
3	− 9.3	+ 0.6	+ 7.2	42	41	82	87
4	− 1.4	+ 7.2	+ 0.3	41	43	74	79
5	+ 0.0	− 7.0	+ 3.0	45	41	—	94
6	− 2.5	+ 4.1	+ 0.0	41	41	—	—
7	− 5.1	− 1.2	+ 5.9	42	39	85	83
NY	†	†	†	42	†	—	—
Chicago	− 4.4	− 8.2	− 5.3	40	42	—	—
LA	−26.4	+ 3.2	+ 0.0	45	49	81	87
US	− 2.6	− 2.4	+ 1.8	43	44	77	80

*To calculate montly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

†Insufficient data to calculate valid statistics.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

AS140-2

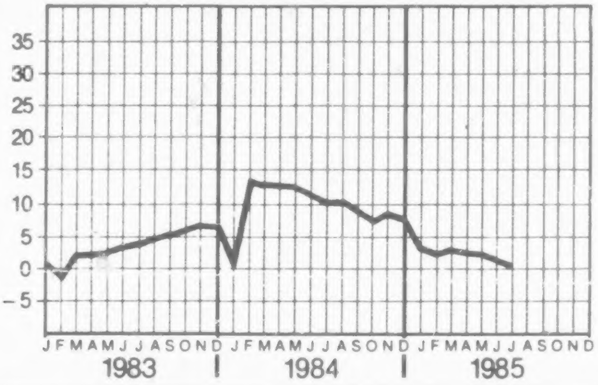
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

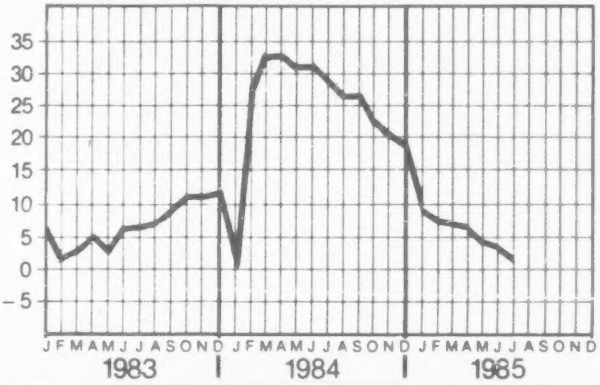
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



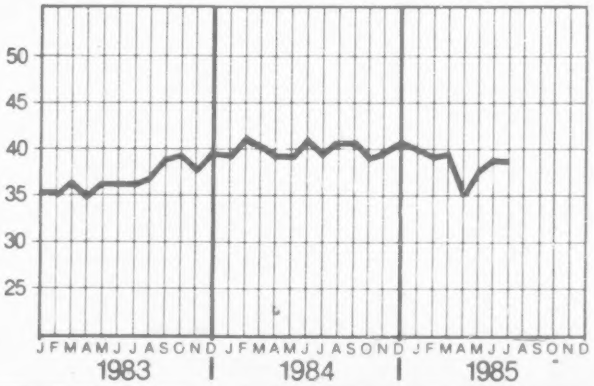
PRINTING PAPER SALES NATIONALLY



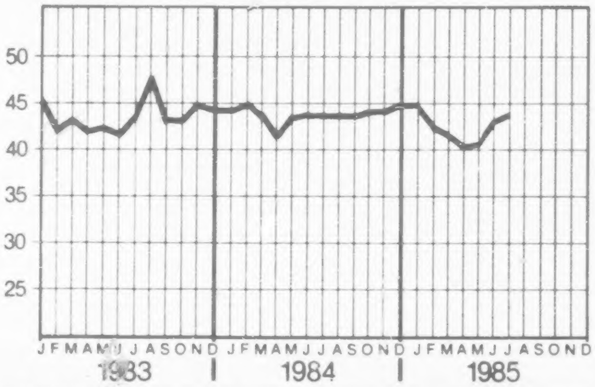
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



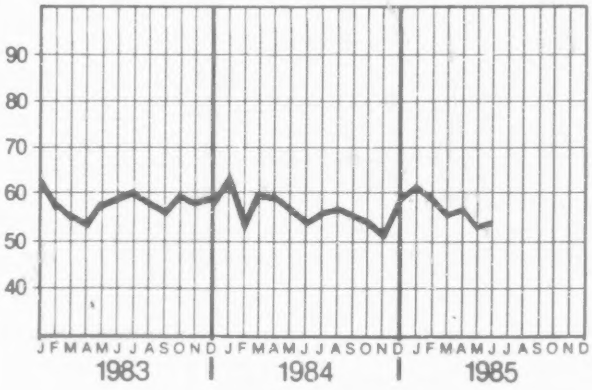
PRINTING PAPER RECEIVABLES NATIONALLY



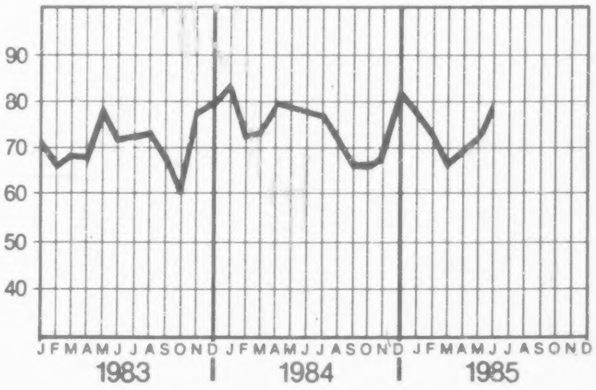
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



Jack Carew
President

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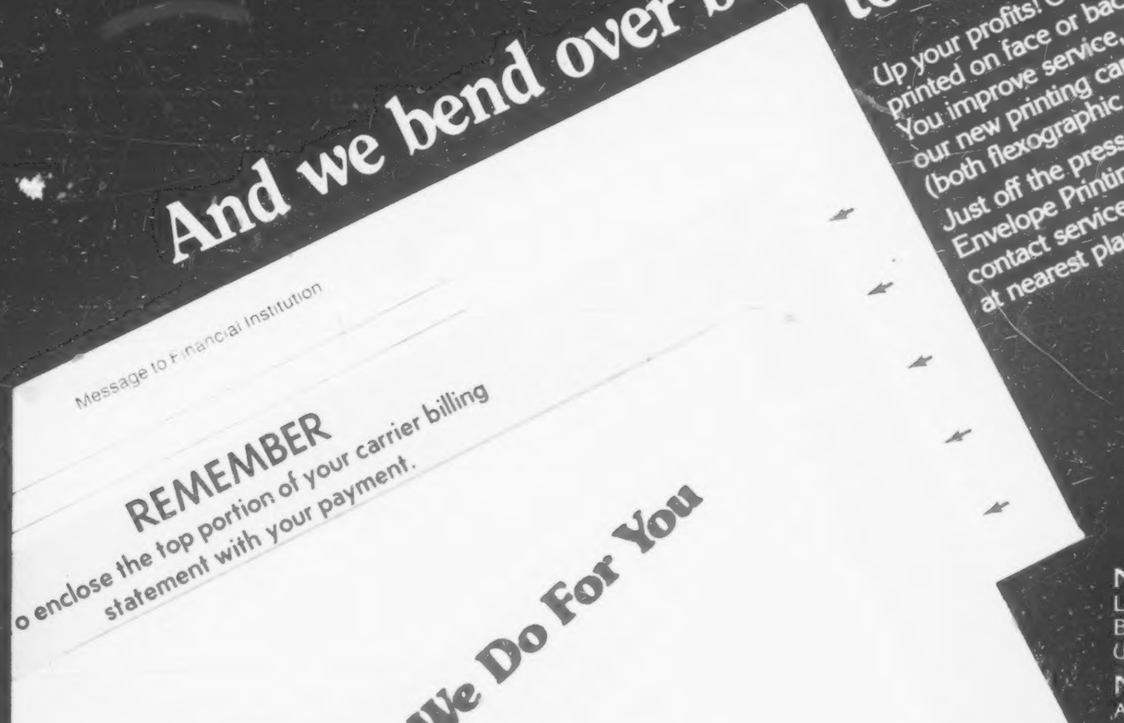
And we bend over backwards to prove it!

Up your profits! Offer *printed* envelopes — printed on face or back — or both. You improve service, too, thanks to our new printing capabilities (both flexographic and offset). Just off the press is our helpful Envelope Printing Guide. To see it, contact service representative at nearest plant.


Message to Financial Institution
REMEMBER
o enclose the top portion of your carrier billing statement with your payment.
What We Do For You

New York Envelope Group
Long Island City, NY
Brooklyn, NY (Envelope Convertors)
Union, NJ (Champion Envelope)

National Envelope Group
Atlanta GA • Lenexa, KS
St. Louis, MO • Worcester, MA

Who else sells only to you. NOT to your customers.

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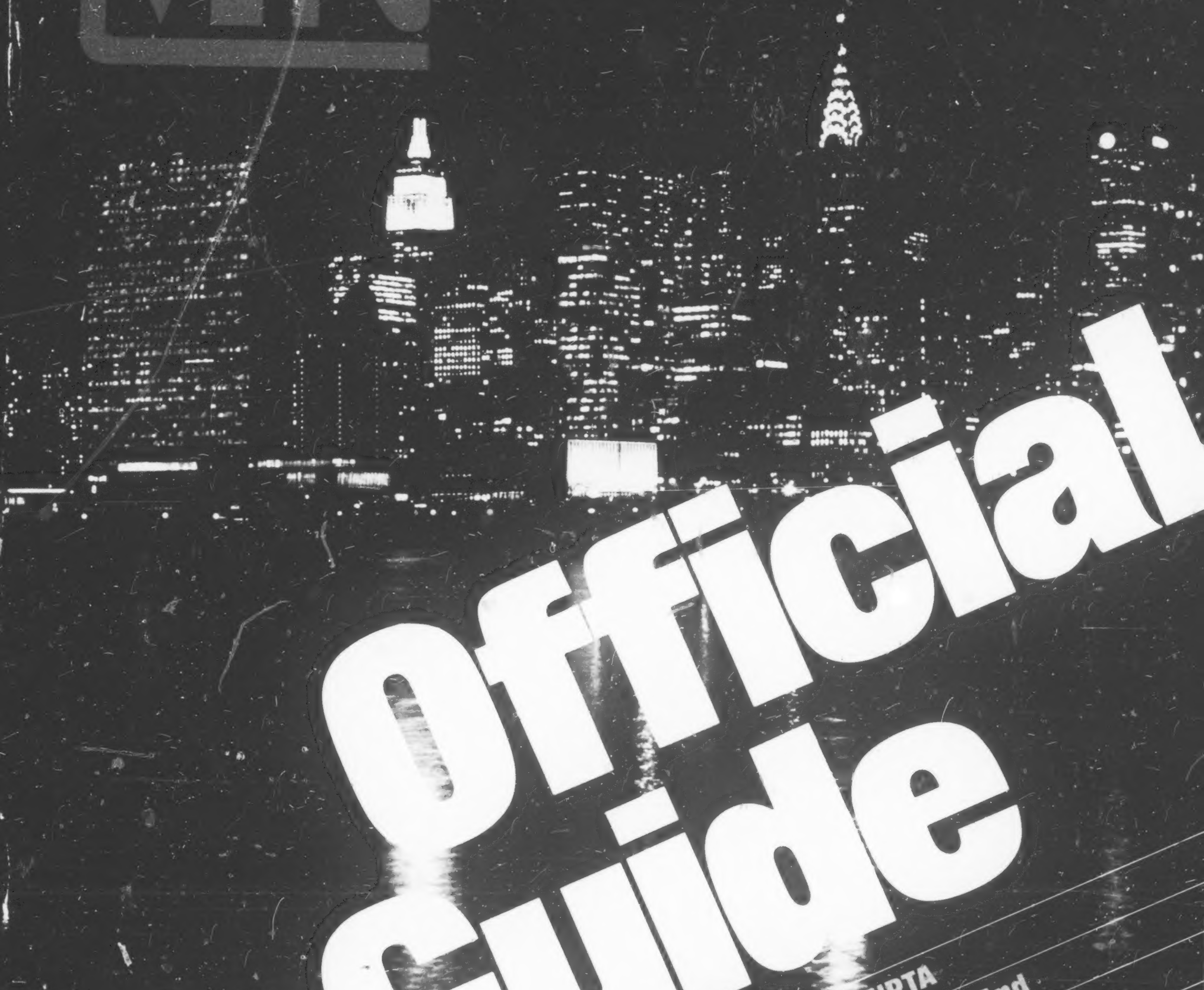
NPTA MANAGEMENT NEWS

OCTOBER 1985

MN



Official Guide

To The 1985 NPTA Annual Convention And Paper/Plastics And Allied Products Exposition

MR. ED KIANKA
CONGRESSIONAL INFORMATION SVC
4520 EAST WEST HIGHWAY
BETHESDA, MD 20814

THERE'S NO BUSINESS LIKE YOUR BUSINESS.

All of us at Amoco Foam Products Company would like to thank you for allowing us to serve you with the products you need. We look forward to a future in which, together, we can continue to "strive for excellence."

AMOCO

Amoco Foam Products Company
2100 Powers Ferry Road, N.W.
Atlanta, Georgia 30099
(404) 955-5595

STATLER
BANK OF NEW HAMPSHIRE
NATIONAL ASSOCIATION
Message to Financial Institution
REMEMBER
To enclose the top portion of your carrier billing statement with your payment.
's What We Do For You

We're upfront about our printing capabilities.

And we bend over backwards to prove it!

Up your profits! Offer *printed* envelopes — printed on face or back — or both. You improve service, too, thanks to our new printing capabilities (both flexographic and offset).

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Union, NJ (Champion Envelope)

National Envelope Group
Atlanta GA ● Lenexa, KS
St Louis, MO ● Worcester, MA

Who else sells only to you. NOT to your customers.

UNIVERSAL "FACTS"

A COMPLETE SOLUTION FOR PAPER DISTRIBUTORS.

"FACTS" was designed specifically for the Fine and Industrial paper merchant. Just a few special features are:

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Backordering
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Multiple Costing in Product File
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Product Scan Inquiry
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Report Writer
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with a full staff of engineers, working in conjunction with our programmers.

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MN

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The Paper/Plastics & Allied Products Exposition is being held on the second floor of the New York Hilton Hotel. Listed here are all exhibitors and descriptions of their products and services.

80 **1985 Exposition: Products By Category**
A handy reference guide is included to aid both Convention goers and those back at the office find suppliers by the products they sell.

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Cover Photo: NY Convention & Visitors Bureau

BERWICK HIGHLIGHTS NEW CATALOG

Berwick Industries will be highlighting its new color catalog at the NPTA Paper/Plastics & Allied Products Exposition. The catalog will help them promote their entire line of ribbon and bow products that are available to paper distributors.

Their new products include gold and silver metallic tone bows and ribbons and mylar in eight colors. Their entire rep force will be on hand to greet all.

FREEMAN PAPER CELEBRATES

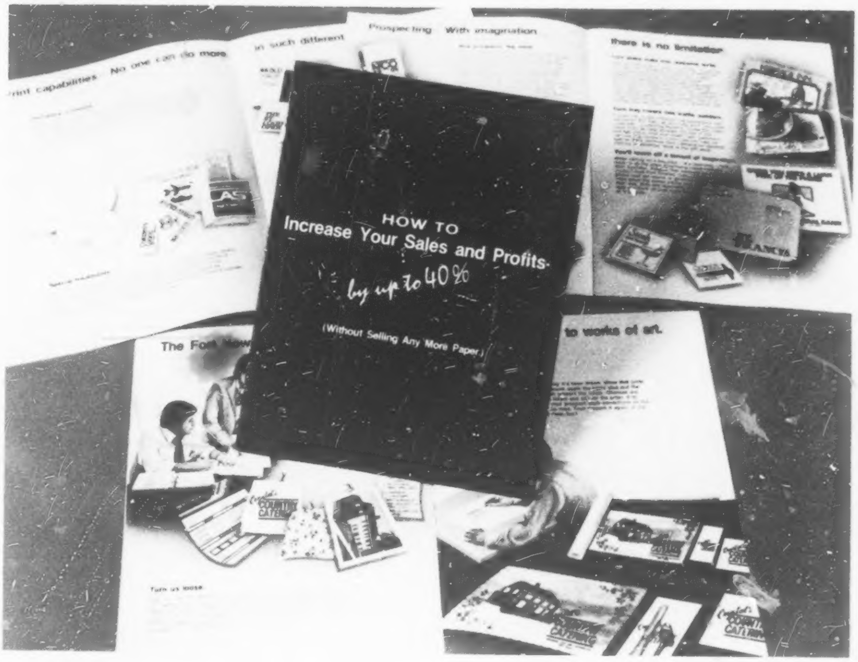
Freeman Paper Company is celebrating its 5th Anniversary under new management effective September 4, 1985. The company was purchased by Larry and Pat Swanson on September 4, 1980. Under new management, the company has quadrupled in sales.

"From the beginning there was a challenge which had to be met and met head on," said Charles Johns, vice president of finance. "It was to transform a company from a marginal operation to a profitable business. Therefore, the strategy was set and Freeman Paper Company took on the challenge to become a low cost, high quality producer. During this time, equal emphasis was placed on sales, cost, quality and profitability. After five years of dedication and hard work, Freeman Paper Company has made a complete 360 degree turn around."

The last three years, the company has given each employee a 10% wage increase, 15% of their earnings have been donated to their Profit Sharing Plan and a $100 bill at the Christmas party...Morale has never been higher.

"We are anxiously looking forward to the future as the past five years have been a very exciting time for Freeman Paper Company," said company president Larry Swanson.

In a related item, Freeman Paper Company has been appointed as a "Preferred Supplier" to Affiliated Paper Companies, Tuscaloosa, AL.


HOW TO
Increase Your Sales and Profits
by up to 40%
(Without Selling Any More Paper)
Prospecting With imagination
there is no limitation
to works of art.

FORT HOWARD REPOSITIONS WIPERS, ADDS NEW PRODUCTS AND SALES AID

This past year, Fort Howard completely repositioned their line of wiping products, including new product names and packaging. Designed to help their distributors understand the line better and sell the products more easily, these changes were accomplished with new selling aids, brochures and flyers.

The paper wiper category maintained the product name SHUR-WIPE®, but the packaging was changed to include a modern graphic treatment. The standard duty dry form products are now called WIPE-AWAY® wipers and feature five different folded items. ULTRA-WIPES® was the name chosen for their reinforced wiper, which includes two folded products and four roll wipers. The four foodservice towels in the line are called DINE-A-WIPE™ foodservice towels, while the two washcloths, personal towels and bath towels, carry the SOFT 'N FRESH® name.

Selling printed napkins and place mats can be fun and profitable, said Fort Howard. That's the message in the new 12-page booklet entitled "How to Increase Your Sales By Up to 40% Without Selling Any More Paper."

Written for Fort Howard distributor sales representative, it is loaded with prospecting ideas, selling tips and general information on their line of printed napkins, place mats, tray covers, coasters and guest towels. When combined with a sales meeting held by a Fort Howard representative, the information contained in this book can be eye-opening to the unlimited potential that exists for new business. Because of Fort Howard's free custom graphic design service, making sales is easier than often perceived. To obtain a copy and schedule a sales meeting, contact your local Fort Howard representative or stop by the Fort Howard/Sweetheart Booth 111–115.

MILLS WERE COOKIN'

That's not all that was cookin' at the June 27th Millcraft Paper Company "Rib Burn-Off."

This was a combined Cleveland/Akron

IF YOU THINK OUR IMPROVED LINE LOOKS GOOD ON PAPER, WAIT TILL YOU SEE IT IN ACTION.

James River/Groveton Division introduces an even stronger line of high-performance communications papers— now featuring dual-purpose, high-speed certified paper.

TRIAD
WORD PRO DP
BLUE RIBBON
DUPLICATOR LTT

We've made some major improvements in our communications papers, and the line has never looked better! To begin with, we're now offering dual-purpose papers that are high-speed certified for use in both copiers and offset printers.

Plus we've got whites that are whiter than ever. A wider range of rich, subtle colors. Three different sizes (8½ × 11, 8½ × 14, and 11 × 17), plus custom sizes and packaging for your customers' special applications. A full selection of categories—Xerographic, Liquid Toner, Bond, Offset, Mimeo, and Opaque.

And two superior grades—Watermark and Premium #4.

But our new line doesn't just look better on paper. It performs brilliantly.

Thanks to the technology at James River Mills, one of the most innovative cut-size mills in the country, these new papers produce clear copies with significantly less jamming.

And better performance for your customers means better sales performance for you.

To increase the action in your sales and profits, please call our sales and customer service department.

JAMES RIVER CORPORATION
GROVETON DIVISION
Groveton, NH 03582
1-800-258-0372, in N.H., (603) 636-1154

function, held at Dover Lake Park and proved to be one of the largest and "hottest" promotional activities ever held in the area, the company said.

Approximately 3500 customers were treated to ribs (over 6000 lbs. consumed!), beer (48+ kegs), western cowboy hats, bandanas, and some "good old foot stompin' " music.

Twenty of Millcraft's suppliers participated; setting up displays and promotion material on the main floor of an attractive pavillion. 10 out of these 20 mills also participated in the "Burn-off Sauce Competition," by providing a gallon of secret recipe barbeque sauce for tasting and testing by a panel of judges. This distinguished panel of five consisted of one representative from each of the following: Cleveland customer, Akron customer, Millcraft's accounting firm, Millcraft's law firm, and the head of the local PIA.

After much discussion and lip-smacking (this was a *tough* decision!) the judges decided on the entry from the International Paper Company as the first prize winner. The competition was "HOT" with entries from Champion International, Appleton Papers, Midtec Paper Co., Fasson Division, James River/Curtis, Neenah Paper Co., Simpson Paper Co., French Paper Co., and Old Colony Envelope.

This event served to thank a multitude of Millcraft's customers for their continued support and provided Millcraft's suppliers with excellent exposure to a wide range of printers and creative people, the company said. Millcraft's Cleveland division manager, Larry Koverman and Akron division manager, Jim Wheeler were both in agreement that the event was a "huge success!!" for everyone concerned.

BAGCRAFT WISHES ALL "SEASONS GREETINGS"

Bagcraft has an attractive Seasons Greetings DUBL-WAX™ and DUBL-FRESH™ assortment of tin tie window bags plus an exciting assortment of foil and metallized gift bags. Special food service packaging programs, supermarket merchandising ideas, industrial packaging and school system packaging solutions will also be on display.

DUBL-WAX™ carry-out bags provide additional freshness protection the company said, and will help prevent staining and fall-apart-bottoms from spilled liquids or condensation. Window bags provide an exciting display area and combine the moisture gas barriers of polypropylene with the convenience of re-closable tin ties for cookies, gingerbread people, brownines, donuts and confections.

HONEYCOMB™ foil laminated bags will be available in three (3) stock sizes so that small feeding systems can test the effectiveness of this outstanding food service package. Bagcraft's exclusive lamination provides excellent heat retention and superior insulation/absorbtion for hamburgers, steak sandwiches, hot dogs and subs, the company reported.

FOX RIVER
PAPER COMPANY

FOX RIVER UNVEILS NEW IDENTITY

Fox River Paper Company has unveiled its new corporate logo; a new symbol was produced by their agency, Weidert Grapentin Advertising Inc.

"It was time to bring the Fox into our new Era of Commitment and Pride" states Pattie Wier, vice president of marketing. "The new logo is dynamic and bold and was designed to reflect the quality of our papers and service."

The company has also released a new brochure titled "The Proud Fox."

Printed six colors and varnished, with the new corporate logo blind embossed on the cover, the brochure spans Fox River's 100 years of paper making experience up through their present commitment to the paper industry.

This brochure also illustrates Fox River Paper Company's philosophy and catalogs the most recent capital improvements, expansions, and new product developments.

PORTION PACKAGING OFFERS PERSONALIZED PRINTS

In addition to their wide assortment of hotel/motel, retail and special print offerings, Portion Packaging Inc. offers cups bearing personalized prints.

"This portion of the firms premium quality plastic drink cup line is exciting because it offers an organization a unique vehicle in which to advertise its name or message," the company said. The printing is also available in a wide selection of colors, type sizes and styles to meet almost any need. All of Portion Packaging's products may be seen at booth #181 and members of the company may be visited in their suite (check listing for location).

ITALIAN DESIGNER COLLECTION AVAILABLE FROM PAPER CORP. OF U.S.

Paper Corporation of United States is the exclusive agent for Cartiere Fedrigoni, the Italian manufacturers of Splendorlux. A premium cast coated grade, heavy weight cast coated one side for packaging applications, white cast coated two sides and a unique collection of colors from pale pastels, bright primary colors, to stunning metallic colors. Cartiere Fedrigoni refers to this wide color range as their "Italian Designer Collection" because graphic designers influenced the selection of colors, and designers are the group who specify the use of this unusual specialty grade.

To our customers:

Please stop in . . .
say hello.

A visit to our
Sheraton Centre suite
would be most welcome

Nekoosa Papers Inc.
a company of
Great Northern Nekoosa Corporation

Midtec
SALES CORPORATION

meet with us at the Park Lane

GEORGE PETTY
JOE KASS
GENE LEVANDOSKI
JOE SIMONE
BILL McCARTHY
DAVE KAMMAN
PHIL LAWRENCE
BO RICHARDS
ERIC CHRISTENSEN
ANGELA VISCI

Merchants interested in selling and/or stocking Splendorlux are invited to visit Paper Corporation of U.S. during the NPTA Convention. Samples, pricing and information regarding additional distribution opportunities will be made available by contacting Ms. Forsythe at Paper Corporation of U.S., 488 Madison Avenue, New York, NY.

VIRGINIA PAPER SPEARHEADED GRAPHICS FUND

In a joint effort by the Printing Industries of Virginias (PIVA) and Virginia Paper Company (both located in Richmond, VA), the Virginia Graphics Educational Fund goal of $100,000 was reached on April 1st of this year. This sum, which will be used for educational programs designed to upgrade the professionalism of the printing industry in Virginia, was announced by James S. Hunter, president of Virginia Paper, at the PIVA board of directors meeting on Saturday, July 27 at PIVA's annual summer convention, held this year at the Virginia Beach Cavalier Hotel.

The program is now about ten years old and, since its initiation, the Fund has widened its educational scope—encompassing managerial and financially-oriented educational programs so critical to the continuing growth of this industry. The newly named program—the Virginia Graphics Educational Fund—was primarily spearheaded by James Hunter and Doug Spencer, Jr., of Spencer Printing Company about a year ago.

260 MERCHANTS WELCOMED BY HAMMERMILL

Hammermill Papers Group held its 71st Annual Conference with merchants recently in Erie. A record 260 Hammermill merchants from throughout the United States attended.

The Merchants' Conference is an annual communications meeting that provides an opportunity for the Hammermill Papers Group to update its customers on the changes taking place in the paper industry and in the nation's economy as a whole.

Now in its 72nd year, the Merchants' Conference traces its history back to 1912 when Hammermill introduced a then-revolutionary marketing technique. Before that time, paper was manufactured for each individual merchant, using his watermark. Former Hammermill board chairman, Norman W. Wilson, was sales manager in 1912 and conceived a plan to standardize on mill-watermarked paper, backed with heavy national advertising support and sold through a network of paper merchants. Although most United States paper manufacturers currently use this marketing technique, it was Hammermill which introduced the idea in 1912 and held its first Merchants' Conference at that time.

The 1985 Conference, which consisted of three days of business meetings, included a speech by Paul Hawken, entrepreneur and author of the widely-acclaimed *The Next Economy*, who described the strategies businessmen and planners must adapt in order to remain competitive in these changing times. The balance of the sessions, conducted by Hammermill personnel, dealt with marketing programs for Hammermill products.

GREAT ATLANTIC PAPER PACKAGING CORP. JOINS NPTA

Congratulations and welcome aboard to Great Atlantic Paper Packaging Corp. The company was established in 1963 and operates a 22,000 square foot warehouse at 281–289 Butler Street in Brooklyn, NY.

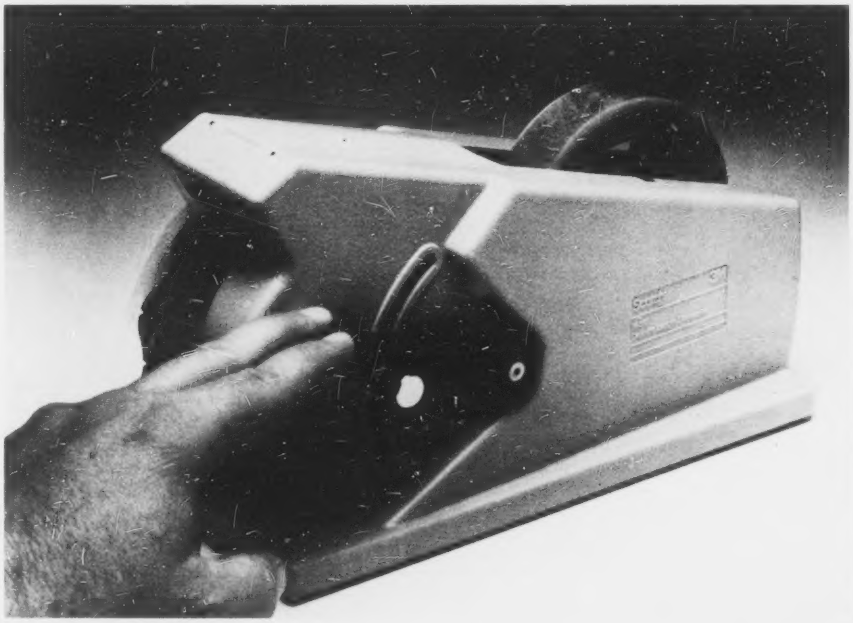
The industrial distribution company has 16 employees. The president is Alvin Rothkopf and Alan Sneider is executive vice president.

All wish them much success.

3M SINGLE-STROKE DISPENSER OFFERS PRECISE, PRE-SET TAPE LENGTHS

A tape dispenser that provides 3/4–to 5 inch pre-set lengths of tape at the single stroke of a handle has been introduced by 3M's Packaging Systems Division.

The new Scotch brand M–96 definite length dispenser offers easy, one-hand accessibility for countertop packaging,



wrapping and sealing applications, 3M reported. It is designed for use with most Scotch brand pressure-sensitive paper and film tapes up to 1 inch wide on 3 inch cores. Roll-length capacities are 60 yards (paper) and 72 yards (film).

The new dispenser has a high-impact, scratch-resistant housing; an improved dispenser mechanism and an easily-changed metal cutting blade. Dimensions are 12 by 6 3/8 by 4 5/8 inches.

LEIGHTON HEADS PAPER COMPANY

San Antonio attorney Leonard Leighton has been elected president of Matera Paper Company. Leighton fills the vacancy created by the accidental death of the company's founder, Frank Matera.

The senior partner in the law firm of Leighton, Hood and Vasquez, APC, Leighton also is an adjunct professor for Federal Taxation and Estate Planning at St. Mary's University Law School.

As the company's new president, Leighton says, "We want to continue to build on the foundation laid by Frank Matera." In addition to Matera's recent entry into the Austin market, Leighton foresees growth and expansion into other cities in Texas.

NEW SPRINGHILL PAPER SWATCHBOOK

A new swatchbook of the complete Springhill line of white and color papers—including the newest gray color—from International Paper Company (IP) is now available to printers and paper specifiers.

The booklet contains samples of offset white and business papers as well as matched colors in bond/offset, vellum bristol-cover, and index grades. The handy swatchbook describes the benefits and applications of each grade and lists specifications including stock sizes and appropriate basis weights.

IP White Papers Group sales offices with addresses and phone numbers are also given.

Copies of the new Springhill white and color paper swatchbook is available from paper merchants or I.P.

GO-JO INTRODUCES SPA BATH™ DISPENSER

A new dispenser that reinforces the luxuriousness of Spa Bath liquid soap in the bath and shower has just been introduced by Go-Jo Industries, Inc., Akron, OH.

The new Spa Bath dispenser is molded in almond ABS plastic for both durability and color compatibility in any decor. It was designed with a unique push bar that reinforces the mounting with each use—even in humid environments. A concealed locking mechanism opens the Spa Bath dispenser and eliminates the inconvenience of misplaced keys.

Refill packs of Spa Body and Hair Shampoo are quickly and easily loaded into the dispenser. Each refill pack has a no-drip, anti-clog valve and the entire pack is disposed when empty.

Spa Bath Body and Hair Shampoo is excellent at both sink and shower areas in hotels/motels, health clubs, spas, etc. The enriched formula, the company said, produces a luxurious lather that cleans and softens skin while providing gentle hair cleansing.

PLASTICS INC. PRESTIGE CUSTOMWARE CREATES BIG IMPACT

Foodservice operations can create image-builders with new, generous-sized, 16 and 20 ounce clear and white tumblers from Plastics Inc., the company reported. Pieces can be imprinted with the establishment name/logo, for holiday events or special promotions. The new tumblers are available with snug-fitting lids for carryout use that continues to sell the message off-premises.

A subsidiary of Anchor Hocking, Plastics Inc. is a recognized leader in the design of beverageware, single-service dinnerware, Microproof® and Hi-Heat® oven dinnerware, Gourmet to Go carry-

EVENTS

OCTOBER

23. *Managing Customer and Product Line Profitablity— A Key to Survival and Growth in the 80s., Los Angeles, CA. Contact NPTA.*

24. *Print Pacific '85, San Mateo Expo Center, San Francisco, Ca. For more information contact Dwight Mitchell, show manager, 415-962-8976.*

28–11/1. *Printech Week, Rochester, NY. Contact NPTA.*

30–31. *Industrial Packaging Symposium, Chicago, IL. Contact NPTA.*

NOVEMBER

6–8. *Trends in Paper Distribution Computerization Conference, St. Louis, MO. Contact NPTA.*

10–15. *Paper Distribution Management Development Program, Oxford, OH. Contact NPTA.*

18–19. *The second uncoated groundwood papers conference, Waldorf-Astoria, New York, NY. For more information contact: David R. Allan, Pulp & Paper Seminar Department, 212-683-9294.*

19–20. *Successful Inventory Management for the Wholesale Paper Distributor, Seattle, WA. Contact NPTA.*

out and fluted Prestige and etched Scrollware servingware. Plastics Inc. also custom designs and custom prints beverageware.

MEAD CHIEF BOND IN NEW SHADE

Mead Chief Bond/Xerographic paper is now being manufactured in a new blue-white shade. This 81 brightness sheet will now provide higher copy contrast in both copier and offset end-uses. Though Chief is Mead's least expensive copier/business paper, it is made to the same exacting runnability standards as Mead's Moistrite X02 and Info grades.

Chief is designed especially for high volume users, and with the new attractive blue-white shade, is an even greater value, the company said.

BURROUGHS CORPORATION CITES IP FOR SUPPLIER EXCELLENCE

Burroughs Corporation presented its Supplier Excellence Award to International Paper Company (IP) for exceptional performance in meeting Burrough's standards of excellence. IP is one of only 24 companies among Burrough's nearly 3000 suppliers worldwide to be recognized this year.

IP, which supplies paper used in Burrough's products, also holds the distinction of receiving this award for the second time in three years.

To qualify, suppliers had to meet Burrough's exacting standards for quality, delivery, pricing, and service, the company said. The award plaques were presented by A.C. Wilson, vice president-procurement, and J.J. Zeccardi, vice president-quality and service, to Dana G. Mead, IP vice president and group executive-white papers, and Joseph J. Robinson, vice president-marketing services.

In accepting the award, Mead said, "We are especially grateful for this honor because it recognizes and reflects IP's strong commitment to quality in all areas critical to meeting customer needs and expectations."

PAPER DISTRIBUTION INDUSTRY
BEST SELLERS

Rank	Publication	Last Month
1	Branching and Market Coverage. *Healy.* $35	1
2	Increasing Profits Through Better Marketing. *Healy.* $35	3
3	What Really Helps (or Hurts) Your Company's Bottom Line. *Tape and Guide.* $50	5
4	Introduction to Wholesale Distribution. *Danenburg/Moncrief/Taylor.* $35	7
5	Paper Merchant's Guide to Personnel Selection and Evaluation. *Cotter.* $85	8
6	Strategic Planning: A Fitness Program for Distributors. *Norris, Garrett, Samek.* $35	2
7	Effective Financial Management for Wholesaler-Distributors. *Mullins.* $35	4
8	Measuring Customer and Product Line Profitability. *Mullins.* $35	6
9	A Paper Need = A Problem Solved. *NPTA brochure.* 10¢ each	—
10	Practical Handbook of Distribution/Customer Service. *Blanding.* $40	—

THE NEKOOSA CARAVAN

The Nekoosa Caravan. . .Cara-what? No, we are not going into the recreation vehicle business, says Nekoosa. The Nekoosa Caravan represents a mutually beneficial selling approach to customers that has been used for over 20 years. It seems that they take place approximately every six to eight years. Each caravan has a central theme and one could tell how long a distributor was selling Nekoosa Papers simply by the number of caravans he had attended.

The most recent caravan theme was "Nekoosa. A Name Worth Repeating." It involved loading three stretch vans down to the springs with audio-visual equipment, a large display, samples, and other materials used during the meetings. Each van then departed to different markets east, south, and west and traveled until all markets were covered.

Participating in the meetings was the entire sales force as well as marketing personnel from Port Edwards. Each meeting consisted of an introduction of new products as well as emphasizing the company's current mix. There was also a current market update which was statistically supported by information furnished by Merrill Lynch and the American Paper Institute. These meetings lasted approximately 45 minutes and depending on whether it was a breakfast, lunch, or dinner–type meeting, a rap session usually followed. In many instances, there were two and sometimes three meetings a day. This went on for a period of eight weeks.

After 156 meetings and 29,833 miles, a tired marketing team returned to normal schedules with a sense of accomplishment, a better understanding of its customers, and another memorable experience.

"Say!. . .How many of you can remember the Dynamic Dimensions Caravan?" asks Nekoosa. "I'll never forget because I was on the West coast at the time, and..."

FONDA ACQUIRES SUPERIOR PAPERWARE BUSINESS

The Fonda Group, Inc. has acquired certain assets of Superior Paperware Company of Marion, IN, it was announced by Albert C. Lasher, Fonda's chairman and chief executive officer.

Fonda has acquired Superior's name, trademarks and designs. It has purchased some of Superior's equipment and its remaining raw materials and finished goods inventories. Superior's physical plant in Marion was not included in the sale to Fonda. Terms of the acquisition were not disclosed.

Key Superior executives, including Doyal Parks, former president, and John Hancock, former plant manager, have joined Fonda. Parks will manage the marketing of the Superior line. Hancock will join the management team at Fonda's plant in St. Albans, VT.

Superior previously manufactured disposable paper plates and cups for consumer use, marketing mainly through major supermarket and variety store chains.

"Fonda's manufacturing plants in St. Albans, VT; Williamsburg, PA; and Santa Clara, CA are in an excellent position to maintain continuity of product flow to Superior's customers," Mr. Lasher said.

DELTAPAPER SOUTHERN MOVES TO NEW LOCATION

The company's Florida operation will be moving its manufacturing and sales functions into a new facility in the Orlando area. The new location is in the Regency Industrial Park, just south of Orlando, adjacent to major highways with a multiple car private rail siding located on the SCL rail lines. Glenna Keefer, Deltasouthern's operation manager, expects the move to be completed before October 31, 1985.

NEW TOP-QUALITY GRADE INTRODUCED BY HOPPER

Georgia-Pacific Corp.'s Printing Paper Division has introduced a new top quality paper grade. Hopper Tapestry is a premium sheet that possesses the rich textures and excellent printability of only the finest cover and text papers.

THE GREAT SCOTT BLACK VELVET LINT TEST KIT
SCOTT
SCOTT
IMPROVED
05311
MICRO WIPES
105317
SCOTT
SOFT COTE
105314
SCOTT
PRECISION WIPES

Tapestry Bright White is the brightest sheet available on the market, G-P said. Tapestry Natural creates a subtle aura of luxury and worth. Both shades come in four finishes—smooth, vellum, finely textured silk and heavy linen damask—and each is available in as many as five basis weights, from 70–lb. text to 130–lb. DT (double thick) cover.

"As befits a top-quality cover and text sheet, we are promoting Tapestry in top-quality fashion," said Sally B. Nathans, director of communications for the Printing Paper Division. "In addition to advertising, we have a wall poster based on the medieval Unicorn Tapestries of New York's venerated Cloisters Museum. Also available is the Hopper Tapestry swatchbook, which is consistent with our most recent efforts for Chambray and Skytone. We believe Tapestry will interest others as much as introducing it excites us."

In a related move, Hopper Sonata and Carrara grades have been discontinued.

DISTRIBUTORS CAN DEMONSTRATE LOW-LINT WIPERS WITH NEW KIT FROM SCOTT

Distributors can demonstrate to customers the low lint characteristics of Scott precision wipers with "The Scott Black Velvet Lint Test Kit" from the Away-From-Home Products Division of Scott Paper Company.

Available in two versions—a large version designed for use in the distributor's office and a smaller, portable version for use on the road. The test kit allows sales people to show their customers first-hand that Scott Precision Wipes™, Soft-Cote® Wipes and Micro-Wipes® have less lint than competing brands, the company said.

Both kits contain product samples, a black velvet test cloth, a lint pick-up stick and full instructions. To perform the test, 50 wipers of a competing brand are pulled from their container while held over one-half of the black velvet cloth. Then, 50 Scott wipers are pulled from their container while held over the second half of the black velvet cloth. Then, another 10 Scott wipers are dispensed for good measure. When completed, both sides of the cloth can be compared to see which wiper produced less lint.

All three Scott wipers are designed for use by precision manufacturers, labs and other high-tech industries that require low-lint wipers with high strength and absorbency. Micro-Wipes® come packaged in Scott's new clean-pack carton that virtually eliminates carton dust contamination.

Both Micro-Wipes® and Precision Wipes™ are highly absorbent and provide the high stretch that allows them to clean tiny crevices without tearing. They are soft, non-abrasive and will help avoid scratching of delicate or polished surfaces. Scott's Soft-Cote® wipes are designed to handle hard work yet be gentle to delicate surfaces such as polished metal, plexiglass and film.

"The Scott Black Velvet Lint Test Kit" is available from regional Scott Representatives.

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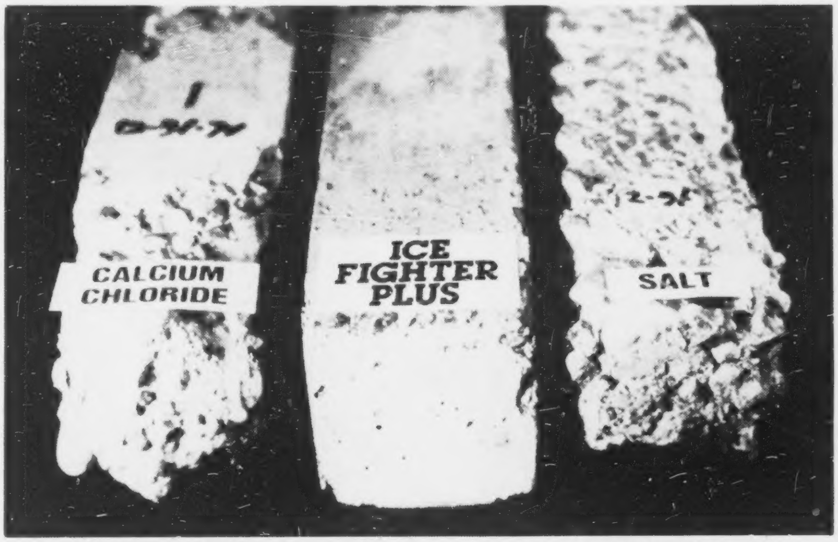

The effect of various deicers is shown graphically by the concrete test blocks above

The *only* snow and ice melter that reduces freezing damage to concrete.

A limited number of distribution areas still available

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MEMBER **ISSA**

MEAD UPGRADES FOCUS ON QUALITY IMPROVEMENT

A major upgrade at Mead Paper's Chilpaco Mill in Chillicothe, OH will result in improved quality in all of Mead's coated sheet-fed grades, the company reported. The $38 million project includes rebuilds of three paper machines and an off machine coater as well as the expansion of the mill's finishing facilities.

The major goal of the project is product quality improvement. The machine rebuilds focus on the wet end of the machines improving sheet formation, ink holdout, mechanical condition and printability. "We want to provide our customers value-added, high quality, consistent products," said coated industry manager Austin Lance. The Chilpaco Mill produces Mead coated sheet-fed grades including Mark I, Black & White, Mead Offset Enamel, and Moistrite Matte.

IFC ANNOUNCES MAJOR EXPANSION AND NAME CHANGE

Industrial Fabricators Company, a nation-wide convertor and distributor of industrial wiping cloth products, announced today that it has begun a $2.6 million expansion program to consolidate it's Tennessee Disposables Division in Knoxville, TN, with its headquarters plant located in Jackson, TN. The company also announced that it was changing the corporate name to IFC Nonwovens, Inc., and would drop both the Industrial Fabricators Co., Inc. and Tennessee Disposables, Inc. name identifications in the marketplace.

Industrial Fabricators Company acquired Tennessee Disposables in August, 1984 from Georgia-Pacific Corp. and has been operating the facility in the Knoxville location since that time. The Knoxville plant manufactures composite laminated fabrics used by IFC's Jackson plant as part of their converting and finishing process of various disposable products for the industrial and health care markets.

The 100,000 square foot addition to the Jackson plant will provide expanded manufacturing, warehousing and shipping facilities to house the Knoxville operation as well as several other new production lines the company has acquired.

IFC had previously announced that it had purchased the primary laminating and finishing production lines of the Proctor and Gamble Buckeye Cellulose plant in Huntsville, AL. The P&G plant manufactured a related type of nonwoven fabric which will be incorporated into IFC's product line.

According to Robert Dailey, III, president, the expansion program will allow IFC to dramatically improve its manufacturing capabilities which have rapidly developed over the past years.

The company's decision to change its name to IFC Nonwovens is the result of a desire to more aptly identify the company's future direction. According to Dailey, "IFC Nonwovens provides a clearer identification of our future capabilities yet draws upon tradition of the IFC name which has come to represent innovation, service and quality in the disposable fabrics marketplace. We, therefore, combined both names (Industrial Fabricators and Tennessee Disposables) into one company identified, IFC Nonwovens."

Company officials hope construction will be completed in late Fall and that initial start up of the new production lines will begin before the end of the year.

BAY WEST INTRODUCES MULTI-PURPOSE WIPE

Bay West is introducing a multi-purpose utility wipe product to its full line of washroom products. The brand no. 48 disposable wipes are excellent for single-use applications. The highly absorbent wipes work well for cleaning polished or sensitive surfaces, the company said. The white 10" x 10", one-ply towels come packaged in convenient pop-up dispenser boxes. Cases contain 12 packages of 168 towels each.

A wiper dispenser is also available from Bay West, which holds the dispenser boxes of the Bay West utility wipes. The economical, rust-resistant wire dispenser attaches quickly and easily to walls or other surfaces.

CROWELL HIGHLIGHTS COMPLETE LINE

Crowell is highlighting its complete line of Samson reinforced sealing tapes and Tufftape paper tapes at NPTA's Exposition. Crowell will also display Nyvel®, a cold seal cohesive packaging system and will feature a number of new developments related to its rapidly growing paper/foam CRO-NEL® packaging material line. In addition, the firm is also highlighting its newly-introduced HS-115 and CS-215 automatic pouch-forming systems.

LILY SAYS 'THE BIGGER THE BETTER'

Everybody knows that you receive a better value when you buy the large/jumbo size. With its new point of purchase mobile Lily-Tulip is reminding customers of just that. The brightly colored unit features three sizes of cold drink cups and accentuates the "Best Value" with a big red arrow—the largest size, of course!

This merchandising aid will hang from the ceiling or sit on a counter top for maximum visibility. This sturdy display has a shiny surface and comes complete with logo stickers for popular brand beverages. Blank stickers are also included for pricing, and special features.

Designed for simple assembly, the die-cut display will hold cups ranging from 9 to 33 ounces in size. It is available to all who purchase Lily cups.

UNITED STOCKS 5 MILLION POUNDS

United Paper, Inc., Sturgis, MI, has announced its increased capability to supply C1S and C2S board, and coated enamel text and cover to merchants east of the Mississippi. United stocks 5,000,000 pounds of 100% mill run, first quality product for immediate delivery. Truckload quantities are shipped free, up to 200 miles. "The purpose of this increased level of inventory is to insure the quickest delivery to our customers," according to Terry Mildenberg, United president.

Available are United's own UNI-COAT C1S AND C2S cover and board, .008 through .014; TAKO C1S board, .010 and .012; plus BOWATERS Buckingham Text in 60, 70, 80 and 100 lb., and Glen Eagle cover, in 80 and 100 lb. weights.

Welcome To NPTA

Kimberly-Clark's Service and Industrial Sector invites you to stop by our suite in the New York Hilton while you're at the NPTA convention. Learn more about our fine wiping products, protective garments and facial and bathroom tissue—such as KIMWIPES®, TERI® and KIMTEX™ Wipers, KLEENGUARD® Coveralls and KLEENEX® Facial Tissue. Find out how they can help you sell more. We're looking forward to seeing you there.

Kimberly-Clark Corporation

Service and Industrial Sector

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Kimwipes
Kaydry
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ADVANCES AT CENTRAL PAPER COMPANY

Central Paper Company, Menasha, WI, has implemented new technology in manufacturing operations which enhance the quality advantages of Central's tape products. Robert C. Williams, executive vice president, stated that "innovations in hot melt laminating processes provide for more uniform coating application controls that maximize consistent permanent bonding of papers and glass reinforcement, along with smooth, dry roll edges."

Williams also stated that new computerized process controls have "assured the highest degree of uniformity and consistency to Central's patented 911 adhesive. The computerized process controls provide for improved statistical analysis and quality assurance in adhesive formulation, mixing and gumming operations."

In a related move, Central Paper Company has announced the development of a national user market information system.

Upon completion, the system will allow both Central Paper field sales people and distributors on-line access to Central's mainframe computer system located in Menasha, WI, for information concerning their respective end uses.

Vern Drechsler, project manager, states, "There is no other system like it available in our industry, and it is Central Paper's ongoing commitment to be a full-service manufacturer of these products."

More information concerning Central's unique user market information system is available from the delegation headquartered at its hospitality suite at the Sheraton Centre.

CENTURY REPORTS QUARTER RESULTS

Century Papers, Inc., a paper distributor headquartered in Houston, TX, reported unaudited first quarter net earnings of $145,000 on sales of $30.9 million, compared with net earnings of $259,000 on sales of $20.6 million for the same period in 1984.

Herschel G. Maltz, president and chief executive officer, commented that the company's business currently is good in Arizona, Colorado, Oklahoma, Tennessee, and Mississippi, while the Texas markets are rather quiet. "These conditions challenge us to generate profits regardless of the vigor of the marketplace," he said. "We are making appropriate adjustments to our operation, and we are confident that our people will respond; bad news generally is behind us," he added.

Century Papers, a wholesale distributor of paper and allied sanitary maintenance products, operates 17 distribution centers in Texas, Arizona, Colorado, New Mexico, Oklahoma, Tennessee, and Mississippi, and five retail stores in Texas.

NEW KIMBERLY-CLARK FACILITY DEDICATED TO DISTRIBUTORS

Now there's a centrally located facility devoted exclusively to the needs of the Service and Industrial Sector. Kimberly-Clark's new 300,000 square foot plant is now in operation in Corinth, MS, just 70 miles from one of the nation's major transportation hubs, Memphis, TN. The staff of the Service and Industrial plant is working full time to maintain the highest production standards and to provide distributors with better, more consistent service, the company said.

The plant features a 100,000 square foot area for converting industrial wiping products on high-speed, state-of-the-art equipment. In addition to the converting area, another 200,000 square feet comprise the distribution center. It is from this central location that all Service and Industrial products will be distributed nationally.

This new modern facility offers distributors many advantages: more consistent and reliable delivery; better inventory control; improved product quality; experienced and dedicated management.

Kimberly-Clark's commitment to the Service and Industrial Division was evident with the elevation of the Division to Sector status in a growing $4 billion company. "Working together with our distributors" the company said, "we can look forward to a promising future. We are dedicated to meeting their needs as well as growing together."

NEW PRODUCTS SPUR MAJOR GAINS FOR MARVEL LAMPS

Riding the crest of a series of new product introductions, Marvel Lighting Corp. reports booming sales.

The company has added a broad range of new products to its line of Long-Life bulbs, including the recently developed 8–10,000 hour Krypton bulb. This will be followed shortly with a 20,000 hour bulb, and by the end of 1985, an energy-saving incandescent lamp will be added.

New products to be introduced in 1986 include high pressure sodium lamps and several new colors of fluorescent lamps.

According to Paul Greenberg, vice president, sales/marketing, "Our success in the paper products field stems from three key factors: The quality of our lamps is outstanding. They are manufactured here in America. Last and maybe most important, Marvel lamps are not available through mass merchandisers so they enable distributors to build a franchise without having to compete with heavily advertised consumer brands."

The new business opportunity awaiting paper products distributors is the keynote of Marvel's new trade advertising campaign. It highlights the opportunity for distributors to get new business from their existing customers by adding Marvel lamps to their regular line of products.

NEW BOOK PUBLISHING GUIDE FROM PENNTECH

Penntech Papers, Inc., White Plains, NY, manufacturer of commercial printing and book publishing papers, has released a completely new, updated version of its "Book Publishing Guide."

This helpful sales tool contains a general description of each of the Penntech book grades, as well as basis weight, opacity and bulk specifications. The grades included in the guide are: Pennbook, PennSet Opaque, Pennfield Opaque, Westline Opaque, Highland Book, Penn Supreme and Clarion Book Offset. Paper samples are an intregal part of the Book Publishing Guide and show the range and variety of shades and papers available.

The guide was designed in a convenient 3 1/2" x 8" format for ease of handling. It fits comfortably into the breast pocket of a suit and mails easily in a standard letter size envelope.

Penntech invites all to pick-up copies of the Book Publishing Guide at their Hospitality Suite in the New York Hilton during the NPTA Convention.

STAR ANNOUNCES NEW RETAIL COMPUTER PAPER PRODUCT LINE

New PRO-PRINT® Computer Paper Supplies include fast moving computer papers, computer stationery, continuous envelopes and self-adhesive labels, reports Star Forms. Attractive, reclosable packages are sized to provide the paper quantities and retail price points distributors seek to effectively sell the product. The new line of products will be introduced at the NPTA Show.

STANDARD PAPER OFFERS PACKAGE ON NCR

Standard Paper Software Marketing Corp. announces that it will be offering its popular SP/DP Paper Distributor Software on new NCR super-micro Tower XP and Tower 32 computers. Concurrently, NCR has announced the appointment of Standard Paper Software Marketing Corp. as an OEM for the Dayton, OH computer manufacturer.

These events follow shortly after NCR announced production of its new Tower 32 super-micro computer, capable of supporting 32 users. The new 32 bit advanced design Tower 32 offers super-mini performance at significantly lower cost than was previously possible. Employing the most advanced technology with the new 32 bit Motorola 68020 microprocessor at 16.7 MHz cycle speed, 8 KB cache memory, no wait states, and high speed I/O, and the UNIX operating system, the Tower 32 will support 32 interactive users at up to 4 times faster performance previously available.

The Standard Paper SP/DP Distributor Package is a software package written by and designed for the industrial paper distributor. Standard, the largest supplier of packaged software to the industrial paper distribution industry with 70 installations, plans to continue to offer its SP/DP Paper Distributor Package on MDS/Qantel hardware. Ed Mazer, its president, states, "The addition of NCR as a second source for computers offers our customers a choice of hardware manufacturers, while assuring that the SP/DP Package will continued to be offered and the most advanced computers equipment at the most cost effective level possible."

In a related move, Standard Paper Software Marketing Corp. offers its popular SP/DP Paper Distributor Package in a new form that will run on a variety of computer hardware. It has translated its SP/DP Package into UX-Basic, a language that runs on the UNIX Operating System developed by the Bell Labs Division at AT&T. UNIX is supported by such leading computer manufacturers as NCR, Digital, Data General, AT&T, Sperry, Hewlett-Packard, Convergent Technologies, Altos, Gould, Perkin-Elmer, an Amdahl which are all potential host computers for the package.

ERVING INCLUDES VIDEO PROGRAM IN DISPLAY

A video tape will introduce Erving's new line of Deeptone and Midtone cocktail napkins, dinner napkins and matching polybag tablecovers. The tape, as well as Erving's complete line including banquet rolls, folded rolls, towels, industrial wipers, bathroom and box facial tissues, can be seen at Booths #107 and #108.

NEW "SNACK AND DIP" TRAYS OFFERED BY FORM FIT PLASTICS

A new line of "Snack and Dip" trays is now available from Form Fit Plastics of Dracut, MA. The "Snack and Dip" trays are clear, rectangular and available in a variety of two and three compartment sizes and depths. Thermo-formed of FDA approved Styrene, they are ideal for cocktail parties, catering, sports and spectator events, parties, etc.

Typical foods might include hors d'oeuvres, cheese dip, nachos, nuts, chips, shrimp and seafoods, meat balls, chicken, salads, vegetables, desserts, etc.

Special decorator colors and custom sizes are also available from Form Fit. The trays stack and nest for space saving storage. Form Fit manufacturers standard and custom disposble thermoplastic products for a wide variety of applications and industries.

MIDTEC SALES FORCE: PROUD OF THEIR FEAT

The Midtec sales team achieved their spectacular goal of securing contracts with publishers and printers for 75% of the projected capacity of the now-under-construction coated paper mill at Newcastle, New Brunswick.

The mill known as Repap Miramichi Pulp & Paper Inc. is projected to start up in the second quarter of 1986 with a capacity of 200,000 tpy.

TINKERING WITH TREES

According to the *Associated Press,* a program in which trees are injected with flower-producing hormones is expected to develop a generation of "super trees" that will become some of the nation's fastest-growing timber in the 21st Century.

Georgia-Pacific Corp., a forest-products firm, says it has injected hundreds of Douglas fir seedlings in its forest research center in Mosby Creek, OR. The solution injected is designed to make the trees produce a cone crop each year, rather than every four to seven years.

By selecting the best seedlings from the new breed, researchers hope to raise trees that mature 20 to 25 percent faster than present generations.

PEOPLE IN THE NEWS

Raymond W. Dykema has been elected president of Steindler Paper Company, headquartered in Muskegon, MI. He will take office on January 1, 1986.

Ward B. Gardner has been named vice-president-northern region manager by The Unisource Corporation. **Phillip L. Erickson** has become the central region manager and serves as executive vice president of Unisource. **Robert E.C. Burris** has been named vice president-southern region manager of the company.

Robert T. O'Hara has joined Perkins-Goodwin in New York City as executive vice president and chief operating officer. Formerly, he was vice president of WWF.

Robert M. Robert passed away on August 10, 1985. He ran the distributorship, Robert Paper Company, that he founded 51 years ago in New York City. **R. Michael Robert,** the founder's son, will continue as president.

Hubert N. Phillips, former president and chairman of the board of the Frank Parsons Paper Company, passed away at the age of 88. He was a past president of the Sales Association of the Paper Industry and was a director of NPTA.

Gerald C. Marterer has been elected president of the Nicolet Paper Company.

NEW PLASTICS FROM DRUTH

Angelo Minotis, the president of Druth Packaging and Hal Simons, national sales manager are very excited about their newest innovation—plastic corrugated! In a variety of colors and in all flutes, plastic corrugated has an unlimited potential in many areas, the company reported.

Featured during this year's NPTA meeting will be examples of their latest "Hi Tech" packaging, especially those relating to anti-static products.

SEALED AIR TO HOST ANNUAL PARTY

Sealed Air Corporation will hold its 12th annual cocktail party on Sunday, October 6, from 5:00pm to 7:00pm in the Rendezvous Trianon Room of the New York Hilton during the National Paper Trade Association Convention.

All distributors of Sealed Air products are invited to attend and help the company celebrate its 25th anniversary.

NYMAN INTRODUCES NEW PRODUCTS

Nyman manufacturing is introducing its new hot cup lid featuring a detachable tab that forms a drink-through opening at the NPTA Show. On addition, they introduced a baked potato casserole dish with cover of high impact polystyrene plastic for use in restaurant carry out service. Nyman also unveiled a complete, newly-designed line of Clear Choice® Dome Covers for its dinnerware products and expanded the Popular Choice® dinnerware line to include an 11" platter.

In response to expanding market needs, Nyman has added to its production capacity for Natural Choice® Translucent Cups, First Choice® and Popular Choice® Impact dinnerware and Cut Crystal® tumblers. Marketing plans are currently being developed for several product line additions and extensions to these plastic products, as well as to support capacity expansion of Nyman's paper cold drink and hot drink product lines.

The company is also developing new packaging for Natural Choice® Cups, Cut Crystal® Tumblers, First Choice® and Popular Choice® dinnerware.

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ACME PAPER ADDS SPACE

Acme Paper and Supply Co., Inc. has begun construction of an addition to its existing warehouse that when completed will create the region's largest warehouse facility for the distribution of food service, industrial and maintenance supplies.

The 35,000 sq. ft. addition will expand Acme Paper's warehouse and offices in the Baltimore-Washington Industrial Park to 80,000 sq. ft. containing nearly 2 million cubic ft. of space.

The new section will have 28 ft. high ceilings and will add two more trucking docks to the six already in use. It features state-of-the-art equipment for the computerized handling of all phases of distribution.

Acme Paper was issued a $1.5 million Howard County industrial revenue bond to make the expansion. The company has also purchased 3.5 acres for future growth at its Savage, MD site.

"We serve all sizes of companies and businesses—from an individual store to Amtrak," says Edward Attman, Acme Paper president. "Expanding our warehouse will enable us not only to grow but to become the major force in our industry in the mid-Atlantic region."

Founded 40 years ago in Baltimore by Edward Attman, who began by supplying his family's famous delicatessen with paper products, Acme Paper expects its expanded warehouse to be completed by the end of 1985.

IVEX TOP MANAGEMENT TO HOLD SALES STRATEGY MEETINGS

IVEX Corporation is coming to the NPTA Convention this year to speak with their distributors and to discuss sales strategy. "We will introduce new products and establish mutual goals for a profitable 1986," said James J. McCarty, president and COO of IVEX.

IVEX Corporation, Houston, TX is a converter of paper and plastic into products used extensively for packaging, as well as manufacturers of paper and extruded plastic sheet. The corporation has 14 manufacturing plants and 32 sales offices located across the United States and Canada.

"This year IVEX has more to offer distributors than ever before," McCarty commented. "The expansion of our Fresh-Pak product line gives IVEX the most complete supermarket packaging program in the country.

"Our recent acquisition of Curtis Wagner, Co., Inc., also adds a new product segment to our line, as well as, compliments our supermarket packaging program," McCarty stated.

"We're not only broadening our product base," he added, "but we're upgrading existing facilities, and continually adding modern equipment to produce new designs for our current stock items."

L&CP GROWTH AHEAD

L&CP Corporation, a leading manufacturer of laminated and coated products, will be hosting a hospitality suite at the Warwick Hotel during the Convention.

The former division of Champion International was recently sold to a group composed of the division's management and Sellstoff-und Papierfabrik Frantschach AG of Austria, a paper products manufacturer. L&CP's management team has extensive experience in the business, having been with the L&CP division and its former owner, St. Regis Paper Co., for 15–30 years.

The sale was facilitated by Kermit Greene, L&CP's newly appointed president and CEO. Additional management members include Jack Carr, executive vice president, COO; Pat Farrell, vice president, marketing and sales; Paul Fortin, vice president, manufacturing; Curt Kittleson, vice president, finance and administration.

L&CP produces a wide variety of masking papers, cohesive papers for industrial and medical packaging, speciality papers, gummed printing papers and industrial release papers.

UNITED GROUP MAKES CHANGES

The United Group is an affiliation of privately-owned wholesale paper and chemical distribution companies dedicated to market share growth and increased profitability. It was announced at its most recent board of directors meeting that The United Group, the paper industry's fastest growing marketing organization, will be represented at the NPTA Convention October 5–7 by James R. Gardner, president; Susan Vinson, executive vice president; and Gordon Smith, vice president. The United Group's hospitality suite, will be in the Hilton Hotel and open each Convention day from 4:00pm to 8:00pm.

A member of The United Group's board of directors or an officer of The United Group will be available in the hospitality suite to discuss and answer questions regarding the many marketing programs and advantages of membership. The board of directors is composed of: Fred W. Baumann, Jr., president, Baumann Paper Company, Lexington, KY; Steve Goodman, vice president, Portsmouth Paper Company, Portsmouth, NH; Joe Brannum, executive vice president, Osment Paper Company, Inc., Birmingham, AL; Bernard Greenberg, chairman and CEO, Greenberg Corporation, Elk Grove Village, IL; Murray L. Florence, Jr., president, General Paper Goods Company, Atlanta, GA; Henri Renard, chairman of the board, Renard Paper Company, St. Louis, MO; and Frank W. Tilley, president, Kaymac Paper Company, Dallas, TX.

In other action it was announced that The United Group recently moved to expanded quarters. The new address is No. 3 Bancroft Circle, P.O. Box 8260, Monroe, LA 71211. For the convenience of our members, potential members and preferred sources of supply, A WATTS line has been installed. The number is 1–800–826–1976.

James R. Gardner, president of The United Group also announced the Group's new Preferred Account Program where selected national/regional accounts will be solicitated on behalf of The United Group Members.

PROFESSIONS UNLIMITED, INC.

The Recruiting Specialists...

Executive management of paper merchant houses know where to turn when they need help in filling important positions. Specializing in sales, middle management and top executive positions, Professions Unlimited can tailor a search program to meet your needs.

Professions Unlimited is a 13 year old recruiting firm specializing in the paper distribution industry with emphasis on flexible packaging, fine paper and industrial supplies. Professions has placed over 100 people in these areas since 1981—from New York to California, Minnesota to Florida. 80% of those placed were experienced in the paper merchant trade, the remainder were from manufacturers serving paper merchants.

To find out how you or your firm can benefit from our services contact Carl Coco, Jr., CPC, Executive Vice President or Philip R. Gross, CPC, Vice President National Accounts.

*Please note: Our policy states that we only work with one merchant house per city.

PROFESSIONS UNLIMITED, INC.

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PRINTING PAPER

PRINTERS SEE FURTHER DECLINE IN PAPER INVENTORIES

Printers continued to pare their paper inventories during the Second Quarter, reducing the amount on hand by 3.6 days, reports the NAPL, to an estimated average of 23.8 days of inventory on June 28. This was the fourth consecutive quarterly decline in the amount of paper on hand in printers' plants and warehouses.

The Third Quarter outlook is for a continuing but perhaps slightly more modest decline, according to printers reporting their plans in the *Business Indicator Survey*.

During the Second Quarter, almost all grades of paper were readily available. 35% of the reporting printers said paper was more available in the Second Quarter than in the First Quarter. 60% said there was no change in the supply situation. Only 5% of the reporting printers indicate any difficulty in obtaining what they wanted, when they wanted it.

The only significant supply difficulty is reported by book printers, with 18% of this group noting less paper available in the Second Quarter as compared to the First Quarter.

On a geographic basis, the Western and South Central areas report some minor degree of paper supply tightening.

For 47% of the reporting companies, paper purchased and received about balanced the quantities used. 30% report a decline in inventoried stock, while 23% say they increased their quantities of paper on hand. Companies reducing their inventories during the Second Quarter did so by a wider margin than those building inventory.

The net result of the industry's Second Quarter paper transactions was a drop of 3.6 days in on hand levels. This is virtually the same rate of decline as during the First Quarter, although more companies participated in the inventory reduction efforts during the April-to-June period, NAPL reported.

PRINTING INDUSTRY ORDER BACKLOG COMPARISONS

Comparison First Day of 3rd Quarter 1985 to Last 6 Months and to All-Time High Average Backlog in Days					1985 versus 1984 Historical Comparison Backlog on July 1, 1985 versus July 1, 1984		
INDUSTRY GROUP	JAN. 1	APRIL 1	JULY 1	Record High§	MORE	SAME	LESS
All Groups*	16.4	13.1	14.8	18.0	17%	69%	14%
Sheetfed	14.1	11.6	12.4	17.3	24%	58%	18%
Heatset Web	31.4	25.2	23.9	35.0	9%	60%	31%
Non-heatset Web	18.7	12.3	17.2	22.8	25%	67%	8%
Business Forms†	15.9	9.6	10.6	19.9	14%	50%	36%
Quick Printers	5.4	2.6	4.7	5.4	50%	40%	10%

§Highest reported backlog 1980 through 2nd Quarter 1985, inclusive.
*Excluding Quick Printers.
†Information for companies that produce business forms as a secondary (not a primary) product.
Source: National Association of Printers and Lithographers

THURMOND AGREES TO NEW MANUFACTURING CLAUSE EFFORT

Senate Judiciary Committee Chairman Strom Thurmond (R-SC), champion of the printing industry's effort in 1982 to extend the Manufacturing Clause of the Copyright Law, has once again agreed to introduce legislation to extend the Clause reports Printing Industries of America (PIA). The legislation the industry requested Thurmond to sponsor would continue the Manufacturing Clause indefinitely but would allow individual countries to be exempt from the Clause provided it can be certified that they recognize and protect copyrights. Specifically, this is to protect the copyrights of U.S. authors and publishers operating in the country seeking exemption and that the country seeking exemption has no material non-tariff barriers to printing trade and no tariff barriers beyond those established through international agreements.

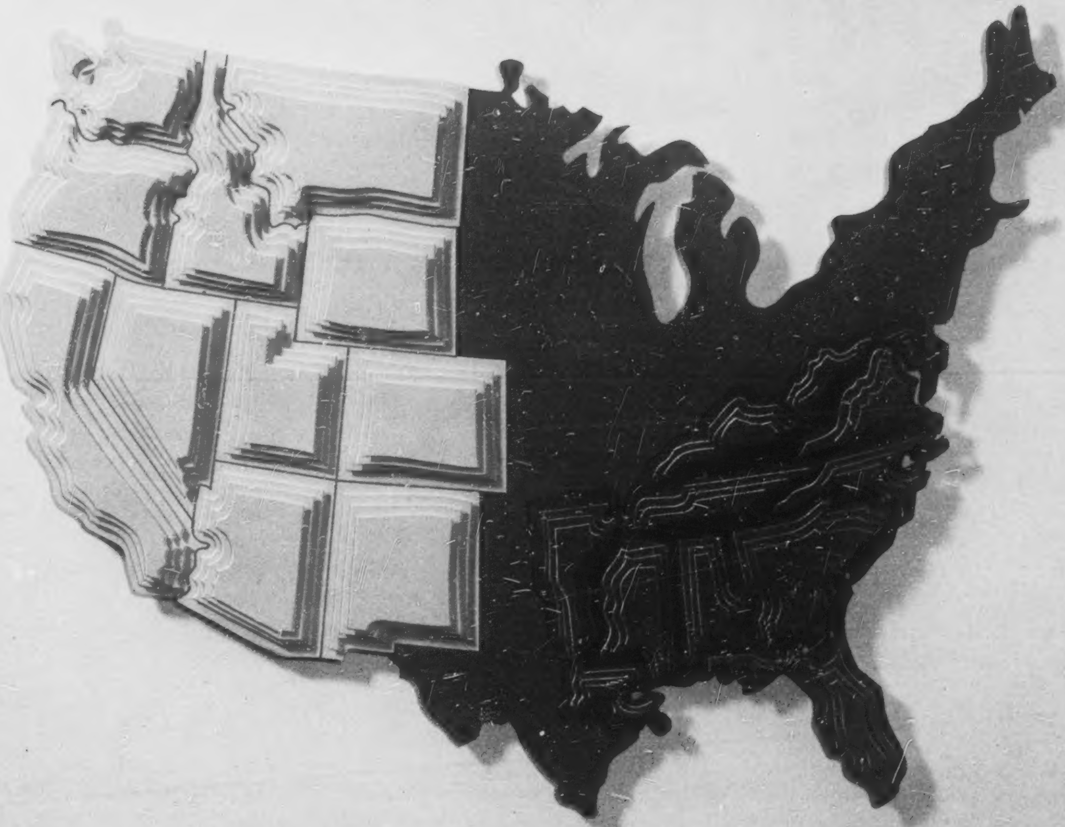
The legislation to be introduced by Thurmond would also clarify the coverage of the Manufacturing Clause by changing the items covered from "preponderantly non-dramatic literary material" to "printed matter." The preponderantly non-dramatic literary phrase has created numerous legal problems as courts have been asked to decide what qualifies under that obscure language.

While the industry is expanding the coverage of the Clause by expanding it to all printed matter, the new legislation also substantially broadens the exemption provisions. Under the current law the Manufacturing Clause is an "all or nothing" approach in which a country is either exempt or may never become exempt. The legislation also would eliminate a confusing provision of the Manufacturing Clause which allows a U.S. author or publisher to escape the coverage of the Manufacturing Clause by transferring rights to a foreign agent.

The Graphic Communications International Union is also seeking to have legislation to extend the Manufacturing Clause introduced in the House this session. The union-supported legislation would extend the current Manufacturing Clause introduced in the House when the Congress returns in September. The union supported legislation would extend the current Manufacturing Clause indefinitely, but would make no other changes in the Manufacturing Clause. While the industry and union positions differ, the goal of extending the Manufacturing Clause is joint and equally supported by both management and labor. From the standpoint of legislative strategy, indus-

(Continued on page 91)

NATIONALREGIONALITY



Zellerbach Delivers Value!

There is one distribution group in the industry that has been delivering value to its customers and to its vendors for over one hundred and fifteen years. A distribution group that has consistently, consecutively and profitably delivered the best products and services to market. It is the Zellerbach Paper Group, the one distribution network with **nationalregionality**—the service orientation and responsiveness of a regional distributor backed by the resources and strength of a national organization.

The Zellerbach Paper Group is three fine distribution companies—Southern Paper Company, Virginia Paper Company and Zellerbach Paper Company—and it is two separate businesses—a printing paper merchant and an industrial distributor. It is 3000 distribution specialists delivering value to printing paper and industrial customers from coast to coast.

Three companies... two businesses... one national organization. If you are looking for profitability and growth through added value delivered at market, there is one distribution group that offers you **nationalregionality** and a 115 year proven track record.

Zellerbach
PAPER GROUP

PRINTING PAPER BUSINESS UNIT

VIRGINIA PAPER COMPANY
—Fine Papers
—Weaver Paper Company

SOUTHERN PAPER COMPANY
ZELLERBACH PAPER COMPANY

INDUSTRIAL BUSINESS UNIT

ZELLERBACH PAPER COMPANY
AGRICULTURAL SALES GROUP
ZELLPACK PACKAGING GROUP

THE ROLE OF THE PAPER MERCHANT

Jack Wallace, owner of a mid-western printing company, urgently needs five cartons of 100 lb. dull coated stock by day's end. He has placed a call to Susan Akers his sales rep from River Valley Paper. Due to heavy delivery schedules, Susan informs Jack that he can't get his order till the following day. An irate Jack tells Susan he'll have to place his order with her firm's competitor.

River Valley experiences frequent cash flow problems, and as with most merchants, their first financial objective is to collect receivables–not always an easy task. This is complicated even more when confronted by their suppliers insistence on timely payment.

Chuck Myers is River Valley's EDP specialist. One of the most important pieces of information he provides his firm's sales force with is updated weekly inventory control sheets. Last week, using her inventory records, Susan Akers promised immediate delivery on an item that would be out of stock for six weeks. Needless to say, her customer was less than pleased...What these situations show is a lack of coordination and team work. The right hand literally did not know what the left hand was doing. There was little or no communication.

- Susan, River Valley's sales rep did not communicate well enough with Jack Wallace, the printer. River Valley's shipping department did not update Susan on their work schedule.

- Both River Valley and its supplier failed to understand the complexities of financial management. The mill did not see River Valley as a marketing specialist.

- Chuck Myers, River Valley's EDP specialist and Susan the sales rep failed to work as a team.

The key to success in any distributorship is people productivity. The successful distributorship ensures all its employees are actively involved in performing their specific responsibilities in coordination and cooperation with one another. As one of the narrators in *The Role of the Paper Merchant* notes, "If the buyer doesn't buy right and the receivables department doesn't collect money right, and if the sales service people don't answer the customer right and if orders are not picked up and delivered on time, big problems can result. Any one of these groups not performing properly hurts things for everyone." NPTA's newly produced 20 minute video tape program, *The Role of the Paper Merchant* presents a comprehensive and clear description of the role and importance of paper distribution in the economy, and how each separate department in a distributorship works together as a team to achieve the firm's overall goals and objectives.

At last, a video program that tells the story of the paper merchant, his business and his industry

Allan Thomas, director of training for Alling & Cory has noted, "I believe that *The Role of the Paper Merchant* will serve as a valuable training tool when used to familiarize printing and industrial distributor paper employees with the important part their industry plays in the nation's economy. It will be equally useful as a means of delivering the same information to customers and the general public. This lively narrative discusses the six major segments of a distributorship and concludes with a short look at future trends and issues for the industry. The functions described include:

- Inventory functions—how inventory is handled in both good and bad times;
- Receivable management functions—the size, value and importance of assuming the risk;
- Selling functions—why we call ourselves merchants, who we merchandise our products to;
- Transportation/distribution functions—how the products reach the end users;
- Personnel functions—who the people are who are needed to run a merchant operation with emphasis on how everyone from purchasing to delivery work together to form a team;
- Financial aspects—that two or three cents of every dollar falls to the bottom line. *The Role of the Paper Merchant* is specific enough to address the needs of paper merchants, yet general enough to address a wide audience. The video program has practical applications for the following groups of individuals:

1. new hires from both merchant houses and suppliers
2. inside employees, middle managers, warehouse and delivery people within a distributorship
3. mill sales reps
4. recruitment of people into the industry
5. community groups

To purchase copies of the 20 minute 1/2" VHS videotape program *The Role of the Paper Merchant* contact NPTA's Education and Training Department at 516–829–3070.

Since 1970...
A Specialized Group for Independent Distributors

Quite a different type of distributor organization came into being around 1970, when National Alliance Distributing Company (NADCO) was formed.

NADCO was founded in recognition of new forces impacting the growth of independent distributors, both large and small. Institutional grocers were edging into foodservice packaging. Market segments such as health care and hospitality were entering a consolidation phase. Purchasing by retail chains and supermarkets was becoming more centralized and increasingly sophisticated. Packaging technology was advancing rapidly. Computers were emerging as essential management tools.

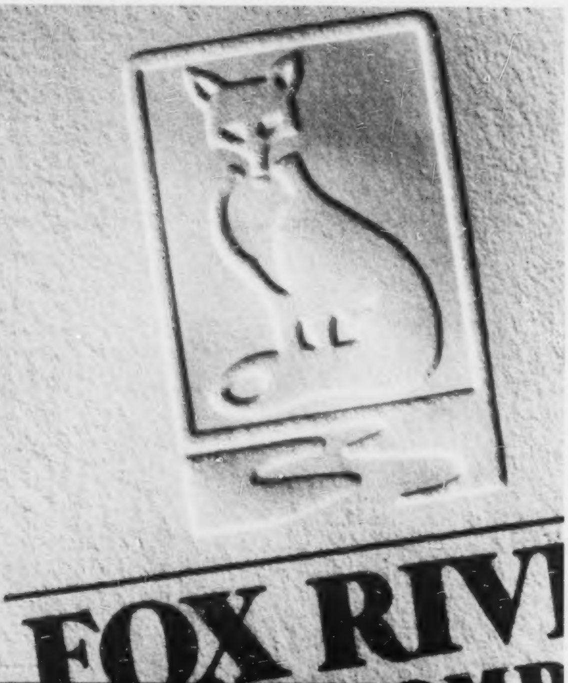
These and other more recent trends and developments demanded managerial response of the highest order. NADCO was reorganized in 1980 to help its members better meet these challenges. NADCO's central purpose today is to assist members in managing their businesses profitably. Its core idea is that this objective can be best achieved by bringing together a compatible group of senior executives of member companies to exchange ideas concerning the management of large, fast growing distribution enterprises. In terms of membership, we are small in number. However, in terms of individual sales volume and profitability, we count among our members some of the largest and best known paper merchants in our industry.

To maximize opportunities for individual participation and dialogue, NADCO must limit the number of members. If you are interested in joining such a group, we invite your inquiry. Please contact us at our headquarters listed below or at our suite at the Hilton Hotel during the NPTA Convention and Exposition.

Jerome F. Rose
Chairman
National Alliance Distributing Company

NADCO

NATIONAL ALLIANCE DISTRIBUTING COMPANY
205 North Sixth St., Saddle Brook, N.J. 07662 • (201) 845-6464



We've changed more than just our looks.

It's true…Fox River Paper Company has a new corporate identity. We gracefully retired our "old" fox to make way for a new dynamic PROUD fox.

But that's just the beginning!

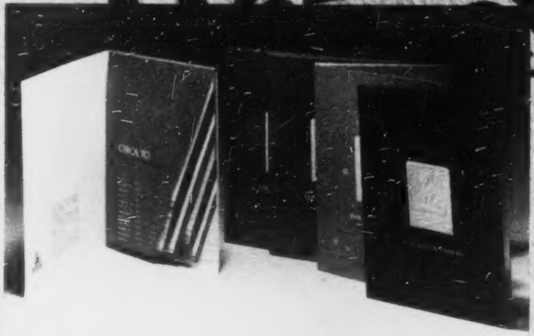
At Fox River, we've renewed our commitment to the cotton content and premium sulphite paper industry. We've developed creative new papers like Fabrica and introduced new colors in our Circa '83 and Circa Select line. There are new text and cover weights in the Circa line. And…all our papers have a rich, crisper snap and feel.

We are proud of our exciting promotional materials, like the new swatchbooks and our intriguing Fabrica Fantasy promotion.

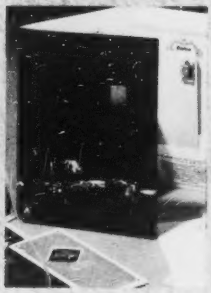
It's more than just a new look at Fox River…it's a new attitude of Pride and Commitment. That attitude helps us continue to make Fox River the ultimate choice of Creative Paper Specifiers.

See the new Fox River Paper for yourself. Stop in and see: Oakie Sallee, Patricia Wier, Gene Shannon, Dan Reich, Ray Hensler, and Lori Ellsworth at the New York Hilton.

We are the Proud Fox.



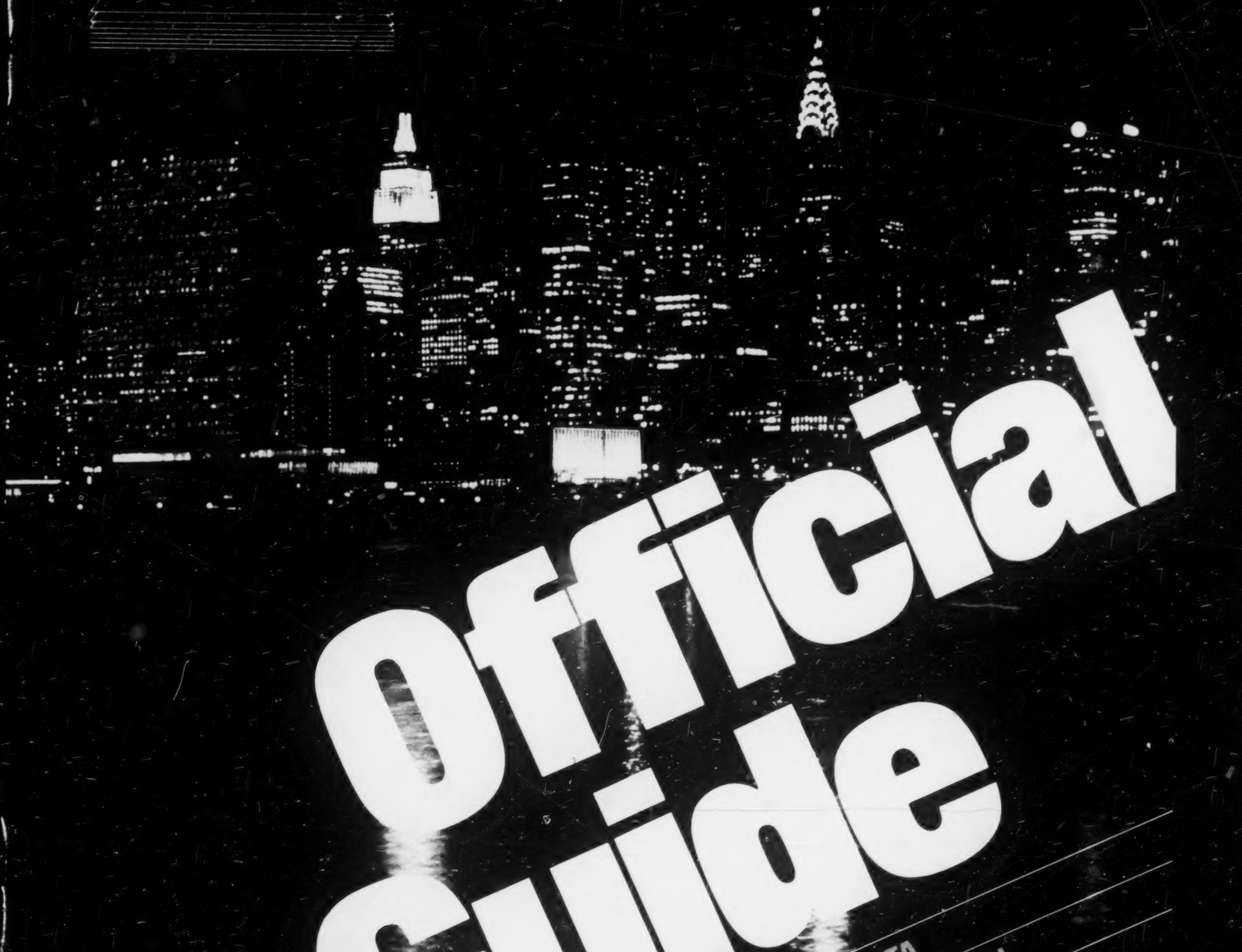
Fabrica Fantasy



FOX RIVER
PAPER COMPANY

P.O. BOX 2215, APPLETON, WI 54913

PREPARING FOR THE FUTURE



Official Guide

To The 1985 NPTA
Annual Convention And
Paper/Plastics And Allied
Products Exposition

1985 CONVENTION & EXPOSITION AT THE NEW YORK HILTON AND SHERATON CENTRE HOTELS

1 • 9 • 8 • 5

Exposition Hours

Saturday, October 5: 10:00am—5:00pm
Sunday, October 6: 11:00am—4:00pm
Monday, October 7: 8:30am—12:30pm

The National Paper Trade Association, inc. is pleased to welcome all to the Association's 82nd Annual Convention. Paper merchants and their suppliers from every state in the Union and a dozen foreign countries will be in attendance.

For those not able to be at this important industry gathering, this issue of *MN* will serve as their Convention experience. Everyone will see the new products, find out who was in attendance, and learn about the great variety of educational programs.

Save this program and use it as a Buyer's Guide for future reference. There is a wealth of information contained in these pages for both paper merchants and industry suppliers.

Registration

Registration will be held in the New York Hilton Hotel on the second floor:

Saturday, October 5: 8:00am—5:00pm
Sunday, October 6: 9:00am—4:00pm
Monday, October 7: 8:00am—12:00 Noon

Fees

There are no registration fees for NPTA members and exhibitors, for either the Convention or the Paper/Plastics & Allied Products Exposition.

The admission charge to all Convention meetings and the Exposition for nonmember paper merchants and manufacturers' representatives is $50.00 per person. Individual admission badges can be purchased at the Nonmember Registration Desk on the second floor of the Hilton Hotel.

There is a registration fee for non-exhibiting manufacturers, converters and suppliers. Those companies that have not pre-registered may do so at the Manufacturers' Registration Desk in the registration area of the Hilton. The fee is $350 per company. Five dollars of the hotel room charge at official Convention hotels is being applied to offset association convention expenses.

NPTA Information Center

The NPTA's many member services and products will be featured at the 1985 Information Center located in the registration area. Available will be membership applications as well as informational brochures on education and training programs, publication catalogs, statistical information programs along with a host of other services designed to aid merchants in sharpening their competitive edge as well as lowering their cost of operation.

Exposition Management

The Paper/Plastics & Allied Products Exposition Office is located in the registration area on the second floor of the Hilton Hotel adjoining the exhibit floor.

Photography

The official photographer may be used by exhibitors. Photography service may be arranged by contacting the Exposition Management.

Special Events Desk

Tickets for all NPTA Special Events are available in the NPTA Registration Area. (Spouses Program, Young Executives Forum and the Chairman's Luncheon.)

Message Center

A message center with a receptionist and a large message display board will be located in the NPTA Registration Area.

FOCUS ON PROFESSIONAL DISTRIBUTION

One of the Fastest Growing Groups of Distribution Companies in the Country Today

CARTER RICE

Carter Rice: Boston, MA
Worcester, MA
Springfield, MA
Providence, RI
Hartford, CT
New Haven, CT
Carter Rice/C.M. Rice: Portland, ME
Concord, NH

Bulkley Dunton: New York, NY
East Rutherford, NJ
Paper Merchants: Philadelphia, PA
Lehigh Valley Paper Co.: Allentown, PA
Baltimore Warner Paper Co.: Baltimore, MD
Stanford Paper Co.: Washington, DC
Ingalls Cronin Co.: Winchester, MA
Manchester Paper Supply Co.: Manchester, NH
Advance Paper & Chemical Co.: Wilmington, DE

WESTERN
PALMER
MIDWESTERN

WESTERN PAPER

Western Paper Company

Billings, MT
Boise, ID
Fargo, ND
Las Vegas, NV
Lincoln, NE
Little Rock, AR
Memphis, TN
Oklahoma City, OK
Omaha, NE
Salt Lake City, UT
Shreveport, LA
Tulsa, OK
Wichita, KS

Palmer Paper Company

Dallas, TX
Houston, TX
Jacksonville, FL
Miami, FL
New Orleans, LA
Orlando, FL
San Antonio, TX
Tampa, FL

Midwestern Paper Company

Cedar Rapids, IA
Des Moines, IA
Kansas City, MO
Sioux City, IA
Springfield, MO
St. Louis, MO
Topeka, KS

CDA

CDA DISTRIBUTORS

Crown Supply Company: Springfield, VA
Harrisburg Paper Company: Harrisburg, PA
Mellocraft Company: Toledo, OH
Morris Paper Company: Pittsburgh, PA
Reid Paper Company: Saginaw, MI

Rohner Distributors: Akron, OH
Ropak: St. Louis, MO
Kansas City, MO
Steindler Paper Company: Muskegon, MI

Suite Information Center

The following organizations are all interested in obtaining suite information for redistribution during the Convention. They are all located in the Convention Registration Area: NPTA Information Center, Paper Age Convention Daily, Paper Sales Convention News, American Paper Convention Daily.

NPTA will distribute comprehensive lists daily of all official suite locations both at the NPTA Registration Area and NPTA Information Center.

All companies occupying suites at official convention hotels should contact the above publications after checking in to have their suite locations listed during the Convention.

For Your Dining Convenience

A Restaurant Reservation Desk is located in the NPTA Registration Area, second floor of the New York Hilton. A reservationist will be happy to make reservations and offer suggestions on the wide variety of excellent restaurants in New York.

The Restaurant Desk can be reached at the New York Hilton extension number 3592.

The reservation service will be available from 8:00am to 5:00pm on Saturday, from 9:00am to 4:00pm on Sunday and from 8:00am to 12:00 Noon on Monday.

HOTELS

	Telephone
Barbizon Plaza	247-7000
Dorset	247-7300
Drake Swissotel	421-0900
Helmsley Palace	888-7000
Howard Johnson's Motor Lodge	581-4000
Inter-Continental New York	755-5900
Loews Summit	752-7000
New York Hilton	586-7000
Park Lane	371-4000
Pierre	838-8000
Plaza	759-3000
Ramada Inn	581-7000
Regency	759-4100
Sheraton Centre	581-1000
Sheraton City Squire	581-3300
St. Regis-Sheraton	753-4500
Waldorf-Astoria	355-3000
Warwick	247-2700

New York City Area Code (212)

Sheraton Centre Hotel

	Floor
Imperial Ballroom A & B	2
Princess Ballroom	2
Versailles Terrace	2
Georgian Ballroom A & B	3

New York Hilton Hotel

	Floor
Exposition Area	2
Trianon Ballroom	3
Petit Trianon	3
Mercury Ballroom	3

Hotel Services

New York Hilton	Extension	Location
Mail and Information Desk	3321	Main Lobby
Transportation Desk	3318	Main Lobby
Sheraton Centre		
Mail and Information Desk	115	Main Lobby
Transportation Desk	270	Main Lobby

FOR YOUR DINING PLEASURE

The following dining rooms in the New York Hilton and Sheraton Centre will be open during the Convention.

BREAKFAST	*Time*	*Location*
New York Hilton		
Cafe New York	24 hrs.	Lower Level
Hurlinghams (except Saturdays) (Sunday open for brunch)	7:30 a.m.	Main Lobby
Sheraton Centre		
Colombian Coffee House	6:30 a.m.	Lower Lobby
Cafe Fountana (buffet)	7:00 a.m.	Main Lobby
LUNCHEON		
New York Hilton		
Cafe New York	24 hrs.	Lower Level
Hurlinghams	12 Noon	Main Lobby
Promenade	11:00 a.m.– 12:00 p.m.	Lobby West
Sheraton Centre		
Colombian Coffee House	11:00 a.m.	Lower Lobby
Cafe Fountana (buffet)	11:30 a.m.	Main Lobby
DINNER		
New York Hilton		
Cafe New York	24 hrs.	Lower Level
Hurlinghams	5:00 p.m.	Main Lobby
Sheraton Centre		
Colombian Coffee House	6:00 pm.	Lower Lobby
Rainiers	6:00 p.m.	Main Lobby
LOUNGES		
New York Hilton		
Mirage	11:30 a.m.– 2:00 a.m.	Lobby West
Pursuits	4:00 p.m. 3:00 a.m.	Lobby East
Promenade (*piano bar*)	11:00 a.m.– 12:00 p.m.	Lobby West
Sheraton Centre		
LaRonde	5:00 p.m.– 2:00 a.m.	Main Lobby
Cafe Fountana	11:00 a.m.– 1:00 a.m.	Main Lobby

(Room service is available at the New York Hilton from 6:30 a.m. to 12:45 p.m. and at the Sheraton Centre from 6:00 a.m. to 11:30 p.m.)

THE NATIONAL PAPER TRADE ASSOCIATION . . .

NPTA®

The Voice of the Paper, Plastics & Allied Products Industry

The National Paper Trade Association is a non-profit wholesale trade association. Since its founding in 1903 it has served as the industry's national representative in member training, educational assistance, legislative representation and other member services. Through the years, the NPTA has become the established voice of the paper, plastics and allied products, industry serving its 1800 members in the United States, Canada and more than 30 other countries as the vital communications link and communications source.

The Association's membership represents over 26 billion in annual sales.

The Association serves its membership by providing an Annual Convention & Exposition, numerous publications including the monthly *MN (Management News)* magazine, industry financial report such as "PAR" (Performance Analysis Report) and *Paper Merchant Sales Report.* Numerous educational seminars and workshops tailored to the needs of member merchants, industry research reports, legislative representation and an extensive member benefits program are also provided. The Association is also a forum for the sharing of timely ideas and issues pertinent to the industry.

NPTA has gained its strength from its devoted membership. These companies participate in constructive dialogs, idea exchanges and help create a better industry for all.

MISSION STATEMENT of NPTA:

The National Paper Trade Association will continue to be viewed as a leading industry trade association by paper, plastic and allied products distributors and suppliers, and as the organization assisting the member companies toward more productive and profitable operations.

Future NPTA Convention and Paper, Plastics and Allied Products Exposition Dates

1986 - September 13-16, Sheraton-Boston, Marriott Copley Place, Boston
1987 - September 19-22, Westin Peachtree Plaza, Atlanta
1988 - September 17-20, Hyatt Regency Hotel, Chicago

CONVENTION PROGRAM

Members, registered nonmember merchants and manufacturers' representatives, as well as exhibitors, manufacturers, and their spouses are invited to attend all meetings and workshops (except where noted).

Jack Carew

Richard S. Lopata

Mayor Ed Koch

Saturday, October 5

Winning With People

10:00 am–12:30 pm
Trianon Ballroom, Third Floor
New York Hilton

Chairman: Michael K. Olthoff, vice president, Nichols Paper & Supply Company, Muskegon, MI.

Featured Speaker: Jack Carew, president, Carew Positional Selling Systems, Inc., Golden, CO.

This exhilarating, two and one-half hour presentation by Jack Carew deals with the quality of human relationships and clearly demonstrates the value of cooperation and teamwork, and is hosted by the Young Executives Forum of NPTA. This session is open to all.

Young Executives Luncheon

12:30 pm–1:30 pm
Petit Trianon, Third Floor
New York Hilton

This special luncheon for young executives is a time when up and coming managers can meet and share experiences. Tickets are required. $35.00. Tickets are available at the Special Events Desk in the Registration Area.

Young Executives Forum Workshop

Open to YEF Members Only
1:30 pm–2:30 pm
Petit Trianon, Third Floor
New York Hilton

This special session with Jack Carew is a time for YEF members to have very specific questions answered.

Customer Based Expansion: Improving Your Competitive Edge

3:00 pm–4:30 pm
Trianon Ballroom, Third Floor
New York Hilton

Chairman: Francis J. Houlihan, president, Fleetwood Paper Company, Franklin Park, IL.

Featured Speaker: Richard S. Lopata, Principal, SAM Associates, Inc. Management Consultants, Chicago, IL.

This session is presented by the NPTA Industrial Paper Division. Discussed will be ways merchants can better market their company's services and products through public relations activities, brochure development, promotional activities and client presentations. Customer expansion will be discussed both from the vantage point of new products to current customers and additional products to attact new customers. The objective is to make each customer and each delivery more profitable and cost effective.

Sunday, October 6

General Business Session

10:00 am–11:30 am
Trianon Ballroom, Third Floor
New York Hilton

Presiding: Frank J. Viegas, president and CEO, The Dowd Company, Woburn, MA

Featured Speakers: Mayor Edward I. Koch, Mayor of New York City, has been invited to welcome NPTA Convention guests.

Jack Pais, Haseldonckx, will bring greetings from EUGROPA, the European group of paper merchants.

John McDevitt, economist for the 3M Company will present "Economic Trends that will Impact the Paper Distribution Industry."

George Plimpton, noted author and lecturer, will present what it is like to be an "Amateur Among The Pros."

NPTA Annual Business Meeting

Members only
11:30 am–12:00 Noon
Petit Trianon, Third Floor
New York Hilton

Presiding: Frank J. Viegas, president and CEO, The Dowd Company, Woburn, MA

- Report on the Meeting of the Board of Directors
- Report of the Treasurer
- Election of Directors
- Election of Officers

Monday, October 7

Continental Breakfast

8:30 am – 9:30 am
Exposition Floor
New York Hilton

The exhibitors of the 1985 Exposition invite all to a continental breakfast held on the floor of the Show. It is their way of saying "Thank You" to all of their friends in the paper distribution industry.

Implementing Successful Printing Paper Marketing Programs

10:30 am – 12:00 Noon
Georgian Ballroom A, Third Floor
Sheraton Centre

Chairman: Frederick J. Stabbert, president, Zellerbach Paper Company, San Ramon, CA.

Featured Speaker: D. Bruce Merrifield, president Merrifield Consulting Group, Greenwich, CT.

Most paper distributors have many of their past "new" products still in stock. How can the odds be increased when launching a new printing paper product line and cut down on potential cash traps? This presentation identifies ten marketing guidelines that will help merchants select products (new or old) that will fit the distributor's competitive strategy. It also reviews the process that will help maintain the promotional persistence and focus necessary to get the product line going.

Preparing For The Future Reception

12:00 Noon – 12:30 pm
Imperial B & Versailles Ballrooms, Second Floor
Sheraton Centre

As a prelude to the Chairman's Luncheon, this cash bar reception is an opportunity for all Convention attendees to meet and greet one another.

Jack Pais

John McDevitt

George Plimpton

D. Bruce Merrifield

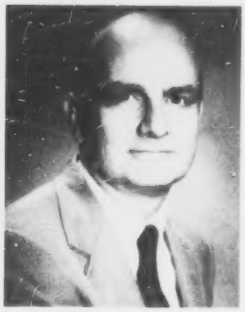
PLEASE DROP IN.

The L & C P Corporation invites you to visit our Hospitality Suite at The Warwick Hotel during the NPTA convention. We're ready to answer questions on specialty packaging products, protective masking materials, and gummed printing papers. Or just to talk.

L & C P Corporation
156 Oak Street, P.O. Box 95
Newton, Massachusetts 02164
(617) 527-4980

Dr. Henry Kissinger

Dick Outcalt



Peter Mullins

Dave Hoods

Chairman's Luncheon

12:30 pm–2:30 pm
Imperial Ballroom A, Second Floor
Sheraton Centre

Chairman: Richard W. Abrams, CEO, West Coast Paper Company, Seattle, WA

Honored Guest: Albert F. Duval, chairman and CEO, Hammermill Paper Company and winner of the 1985 Stanley O. Styles Industry Excellence Award.

Featured Speaker: Dr. Henry Kissinger, former U.S. Secretary of State and internationally known statesman.

Tickets required at $75 each. Tickets may be purchased at the Special Events Reservation Desk in the Registration Area of the Hilton Hotel.

Retail Cash & Carry From The Financial Point of View

2:30 pm–4:00 pm
Georgian Ballroom A, Third Floor
Sheraton Centre

Chairman: Lionel W. Eltis, Paper Shack and Container Stores, Bossier City, LA

Featured Speaker: Dick Outcalt, president, Retail Management Aids, Seattle, WA

This presentation by leading retailing consultant Dick Outcalt, will review the differences between the retail and cost method of accounting. Knowing these important differences can add profit to your operation. During the question and answer session, all aspects of paper merchant retailing operations will be discussed.

Tuesday, October 8

Managing Customer and Product Line Profitability

9:00 am–11:00 am
Trianon Ballroom, Third Floor
New York Hilton

Chairman: David Bayles, Tayloe Paper Company, Tulsa, OK

Featured Speaker: Peter Mullins, Management Foresight, Inc., Columbus, OH

Dr. Mullins is presenting a series of full-day workshops for NPTA on this subject around the country. He will offer this special two hour session for those who may not have had the opportunity to participate in his day-long session.

This subject is vital for paper distributors and is targeted at top management. It will help Convention attendees focus on what the merchant should do to identify, inventory and deal with suppliers more effectively.

Establishing the Highest Value For Your Company

9:00 am–11:00 am
Mercury Ballroom, Third Floor
New York Hilton

Chairman: Hamel F. Hartinger, Anchor Paper Company, St. Paul, MN

Featured Speaker: Dave Hoods, president, Geneva Marketing Services.

To determine the price of a business, a company's past and current financials must be recast to reflect the true, higher current value. And more importantly, future earnings and cashflow must be projected based on valid, objective market research. This presentation will give those attending good insight into what is important in this evaluation and how to go about it.

Management Roundtable

9:00 am–11:00 am
New York Hilton
New meeting format!

This part of the Annual Convention gives participants a chance to form discussion groups and share thoughts and concerns in a more formal way. Roundtable discussion groups have proven to be a generator of both new ideas and solutions to old problems. Those electing to be involved in the Management Roundtable select the topics. NPTA has structured the session, but *pre-registration is a must.*

NPTA LEADERS SERVE THE INDUSTRY

Executive Committee of the Board of Directors

FRANK J. VIEGAS
The Dowd Company, Inc., Woburn, Massachusetts
Chairman of the Board
RICHARD W. ABRAMS
West Coast Paper Company
Seattle, Washington
Vice Chairman, Printing Paper Division
FRANCIS J. HOULIHAN
Fleetwood Paper Company
Franklin Park, Illinois
Vice Chairman, Industrial Paper Division
FREDERICK J. STABBERT
Zellerbach Paper Company
San Ramon, California
Treasurer
LIONEL W. ELTIS
The Paper Shack and Container Stores
Bossier City, Louisiana
Past Chairman

Board of Directors

Term Expiring 1987

JEFF CHIPMAN
Inter-City Papers Ltd.
LaSalle, Quebec
WILLIAM M. CLOSE
Kirk Paper Company
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Kent H. Landsberg,
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Montebello, California
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Wayne, Pennsylvania

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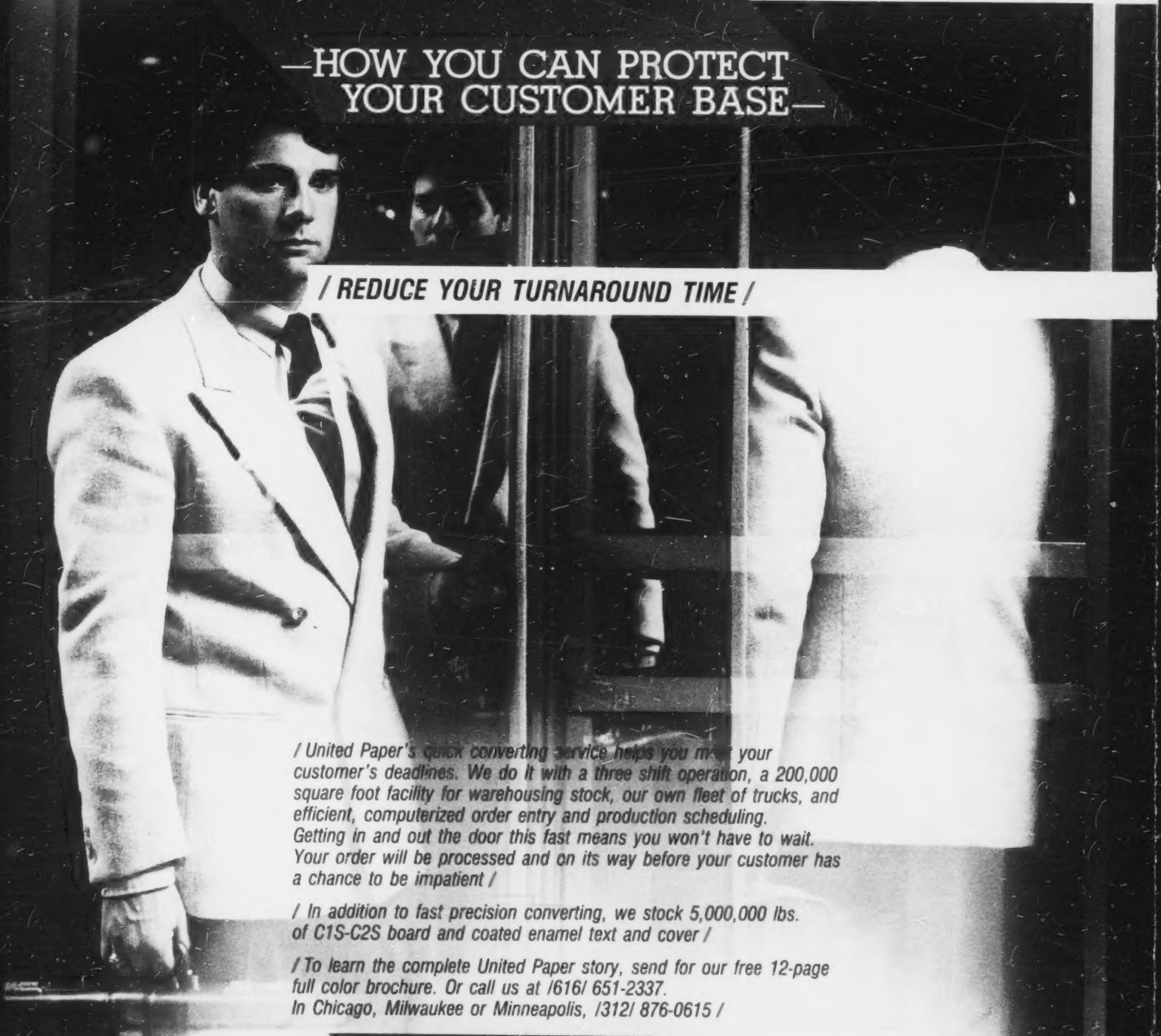

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SPECIAL EVENTS

1 • 9 • 8 • 5

Spouses Program and Chairman's Luncheon

SATURDAY, OCTOBER 5

12:30 p.m.–4:00 p.m.

Since many spouses will be checking into the hotel on Saturday morning, NPTA has scheduled a leisurely elegant luncheon at one of New York's finest hotels, the Sheraton Centre. After lunch, guests will stroll along the world famous glass canyons of Avenue of the Americas, past the headquarters of the media industry and other corporate giants. Then Convention spouses will proceed to one of the most unique experiences in town, "The New York Experience," a multisensory audio visual extravaganza that both dazzles and educates people about the story of "The Big Apple," past and present. It is an unforgettable experience that all guests will remember for a long time to come.

Cost: $37.00 per person

SUNDAY, OCTOBER 6

12:00 Noon–5:00 p.m.

The day will begin with a lovely tour in our motorcoach of the outdoor gardens of the New York Botanical Gardens. After these breath-taking views, it will be off to a lovely luncheon on the grounds and the gardens of the Snuff Mill Inn overlooking the river and a cascading waterfall.

After lunch, Convention spouses will take an hour-long tour of the Glass Conservatory containing thousands of exotic flowers, trees and plants. The professional guide will be an expert from the education department of the gardens and this special tour promises to be both interesting and informative. Included will be a visit to the excellent flower and gift shop on the premises.

On the way back, guests will tour the Upper West Side including the Cathedral of St. John the Divine, Grant's Tomb, Columbia University and an overlook of the Hudson River.

Cost: $43.00 per person

MONDAY, OCTOBER 7

9:30 a.m.–12:00 Noon

The morning will begin with a visit to the United Nations building where Convention spouses will be personally welcomed by a member of the United States delegation Committee and will be taken on a tour of the building, including the meeting rooms, the art works and exhibits. There will be an opportunity to visit the unusually lovely gift shop at the United Nations. If weather permits, guests can stroll through the grounds of the building. Then on to a bus for an exciting tour of Sutton Place and other east side points.

Cost: $17.00 per person

HENRY KISSINGER TO KEYNOTE AT CHAIRMAN'S LUNCHEON

Recipient of the Nobel Peace Prize and the Presidential Medal of Freedom

Dr. Kissinger has been praised as one of the most brilliant Secretaries of State in the history of the United States. His rare eloquence and wit have made him one of the most popular speakers—not only here in America but throughout the world! A Secretary of State under two Presidents, he was also National Security Advisor for six years, and continues to be sought after for his expertise in foreign affairs—having most recently served as Chairman of the Bipartisan Commission on Central America.

Upon leaving the State Department, Dr. Kissinger accepted the positions of University Professor of Diplomacy at the School of Foreign Service and Counselor to the Center for Strategic and International Studies, both at Georgetown University. He is also a Director of the Foreign Policy Association, a Counselor of the Chase Manhattan Bank and a member of its International Advisory Committee, and a member of the Council on Foreign Relations. Among his other activities, he is Chairman of the Board of International House, Trustee of the Rockefeller Brothers Fund, Trustee of the Metropolitan Museum of Art, and Contributing Analyst for ABC News.

Among the awards Dr. Kissinger has received have been the Nobel Peace Prize in 1973 and the Presidential Medal of Freedom, this nation's highest civilian award, in 1977.

Dr. Kissinger was born in Fuerth, Germany, on May 27, 1923, came to the United States in 1938, and was naturalized a United States citizen on June 19, 1943. He served in the US Army from 1943 to 1946. He received a BA degree summa cum laude at Harvard College in 1950 and the MA and PhD degrees at Harvard University in 1952 and 1954.

From 1954 until 1969 he was a member of the faculty of Harvard University, both in the Department of Government and the Center for International Affairs. He was Director of the Harvard International Seminar from 1951 to 1969. He served as consultant to the White House during the Kennedy Administration and to the Department of State during the Johnson Administration.

Dr. Kissinger married the former Nancy Sharon Maginnes on March 30, 1974. He is the father of two children, Elizabeth and David, by a previous marriage.

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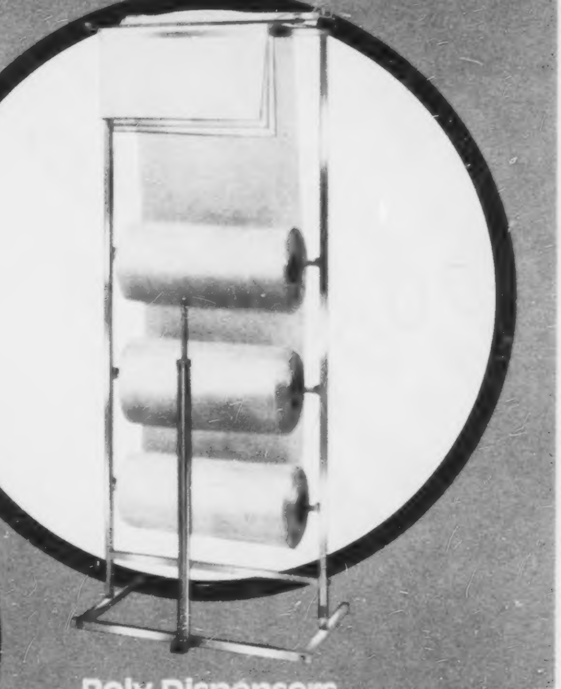

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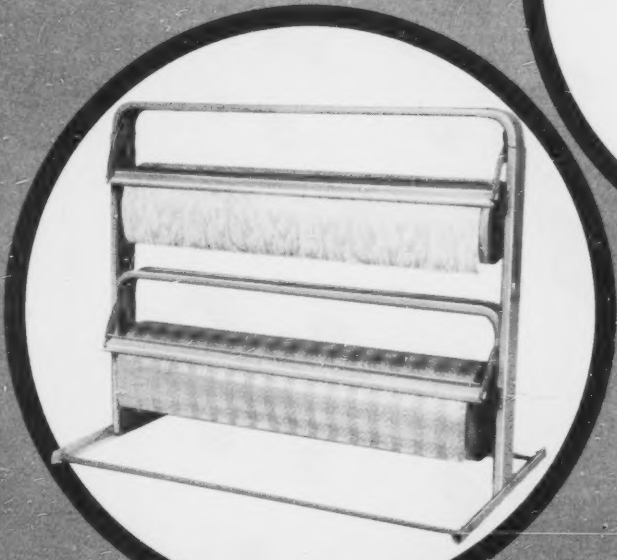

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PROGRAM SUMMARY

Saturday, October 5

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8:00 am–5:00 pm	Registration	New York Hilton	2
10:00 am–5:00 pm	Exposition	New York Hilton	2
10:00 am–12:30 pm	Winning With People (YEF)	Trianon Ballroom New York Hilton	3
12:30 pm–1:30 pm	Young Executives Luncheon	Petit Trianon New York Hilton	3
12:00 Noon–4 pm	Spouses Program: New York Experience	Sheraton Center Rainers Club	Main Lobby
1:30 pm–2:30 pm	Young Executives Forum Workshop	Petit Trianon New York Hilton	3
3:00 pm–4:30 pm	Customer Base Expansion	Trianon Ballroom New York Hilton	3

Sunday, October 6

9:00 am–4:00 pm	Registration	New York Hilton	2
10:00 am–11:30 am	General Business Session	Trianon Ballroom New York Hilton	3
11:00 am–4:00 pm	Exposition	New York Hilton	2
11:30 am–12:00 Noon	NPTA Annual Business Meeting *(Members only)*	Petit Trianon New York Hilton	3
12:00 Noon–5:00 pm	Spouses Program	Buses leave at 12:00 Noon from 53rd Street side of Sheraton Centre	

Monday, October 7

8:00 am–12:00 Noon	Registration	New York Hilton	2
8:30 am–9:30 am	Continental Breakfast	New York Hilton	2
8:30 am–12:30 pm	Exposition	New York Hilton	2
9:30 am–12:00 Noon	Spouses Program	Buses leave at 9:30 am from 53rd Street side of Sheraton Centre	
10:30 am–12:00 Noon	Successful Printing Paper Marketing	Georgian Ballroom A Sheraton Centre	3
12:00 Noon–12:30 pm	Preparing For The Future Reception	Imperial B & Versailles Ballroom Sheraton Centre	2
12:30 pm–2:30 pm	Chairman's Luncheon	Imperial Ballroom A Sheraton Centre	2
2:30 pm–4:00 pm	Retail Cash & Carry From the Financial Point of View	Georgian Ballroom A Sheraton Centre	3

Tuesday, October 8

9:00 am–11:00 am	Managing Customer and Product Line Profitability	Trianon Ballroom New York Hilton	3
9:00 am–11:00 am	Establishing the Highest Value For Your Business	Mercury Ballroom New York Hilton	3
9:00 am–11:00 am	Management Roundtable	New York Hilton	

PLANNING MEMO

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paper/ plastics & allied products EXPOSITION

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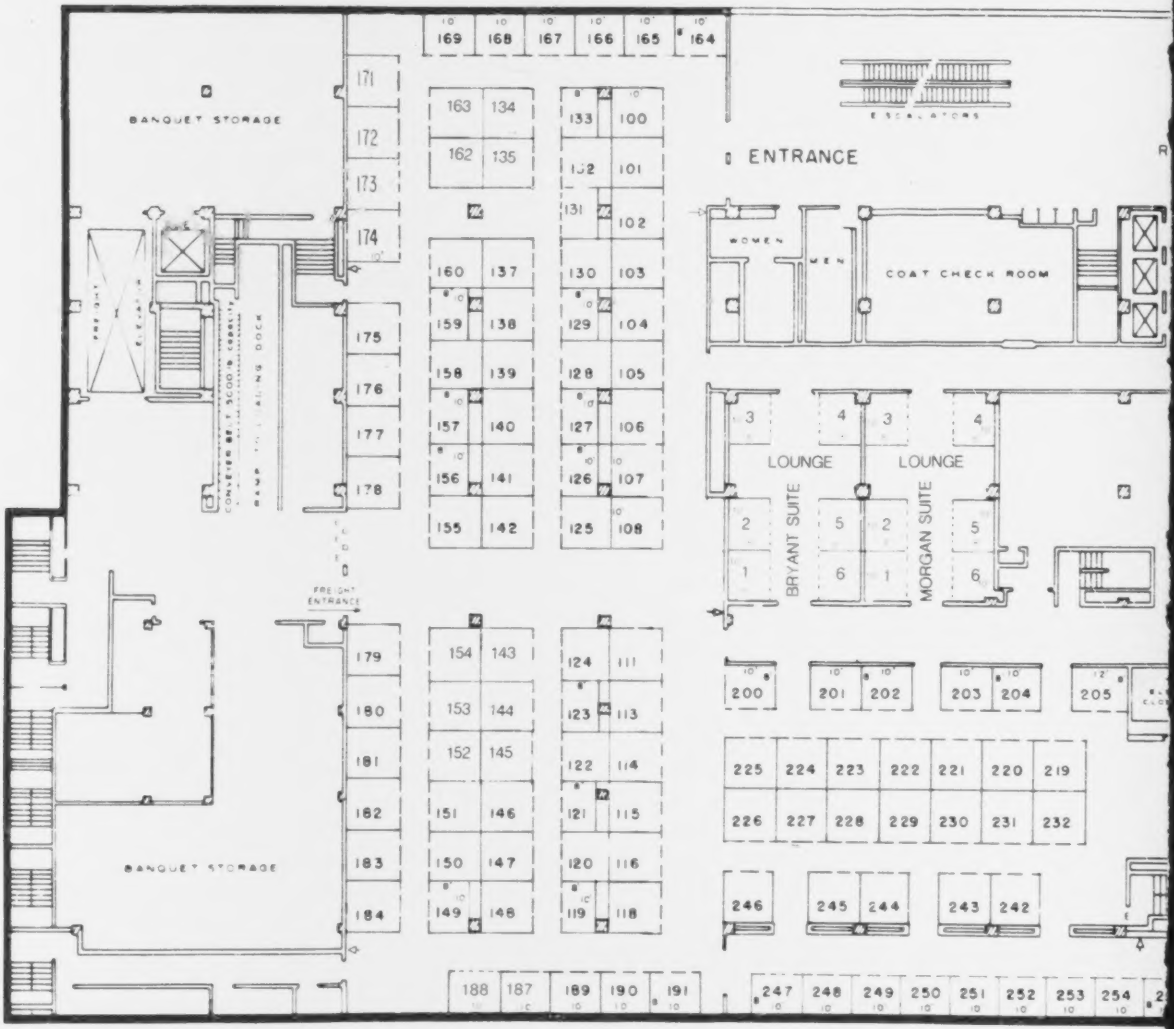
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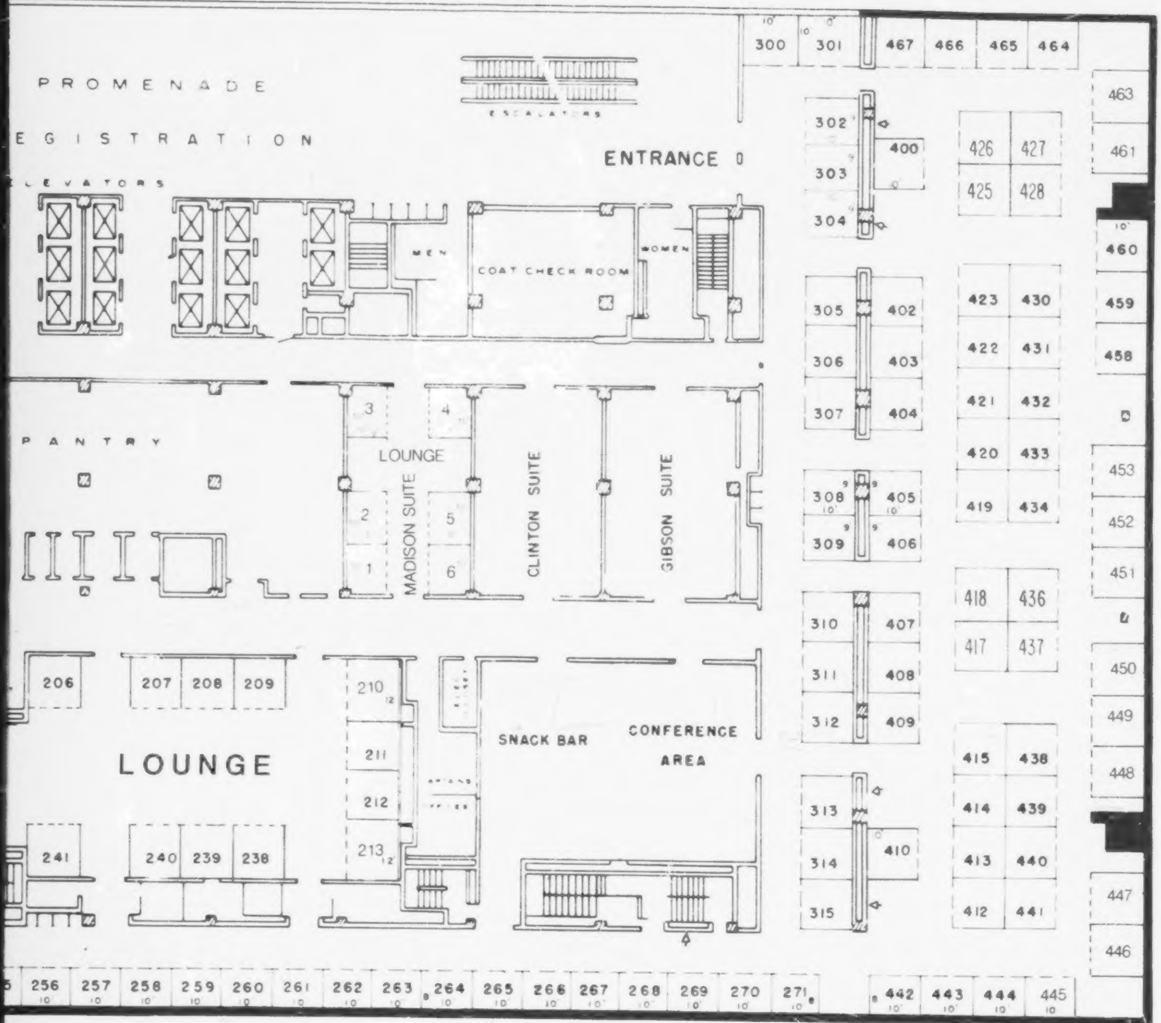
IED PRODUCTS EXPOSITION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1985 EXPOSITION: THE COMPANIES

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Marking products: pressurized inks–markers–stencil supplies–oiled board; printing papers (coders); packaging products: tape dispensers (hand); tape dispensers (automatic-gummed tape); electronic counter top PS tape dispensers; stapling machines and staples

Contact: Barbara Merchiori, President 618–397–9442

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Contact: Alvin Berke, Director/Marketing Services 818–968–3801

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Booth Morgan 3

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Contact: Brian Luker, Sales Manager 201–399–8383

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Booth 229

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Contact: Henry Verbeke, President 201–575–1040

AT&T COMMUNICATIONS

Booth 264

295 N. Maple Avenue, Basking Ridge, NJ 07920

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Contact: William Kurnath, Industry Manager-Forest Products 201–221–6274

ACME FOAM CORPORATION

Booth Madison 2

PO Box 705, Adelphi Station, Brooklyn, NY 11238

Manufacturer of protective packaging products; including a full line of "PRO-LITE" cushioned (bubble and foam) mailer envelopes. Among the products are polyurethane, polystyrene and polyethylene foams and microfoam bubble molded corners and anti-stat materials. Specialties include sheeting, slicing, perforating, laminating, assembly, die-cutting, profile-cutting, etc. Stock sizes and fabricated to customer and government specifications.

Contact: Richard Okin, V.P. 718–622–5600

ALCAN FOIL PRODUCTS

Booth 159

4451 Robards Lane, Louisville, KY 40232

Alcan Foil products offers a full line of food service foil rolls, pop-up sheets, laminated sheets and film. On display will be new introductions: Deli Pop rolls and sheets, Quarter Miler rolls in 12″ and 18″ sizes and laminated foil sheets in 14 X 16 and 10 3/4 X 14 sizes.

Contact: Robert C. Shemming, Business Manager, Foodservice 1–800–626–2876

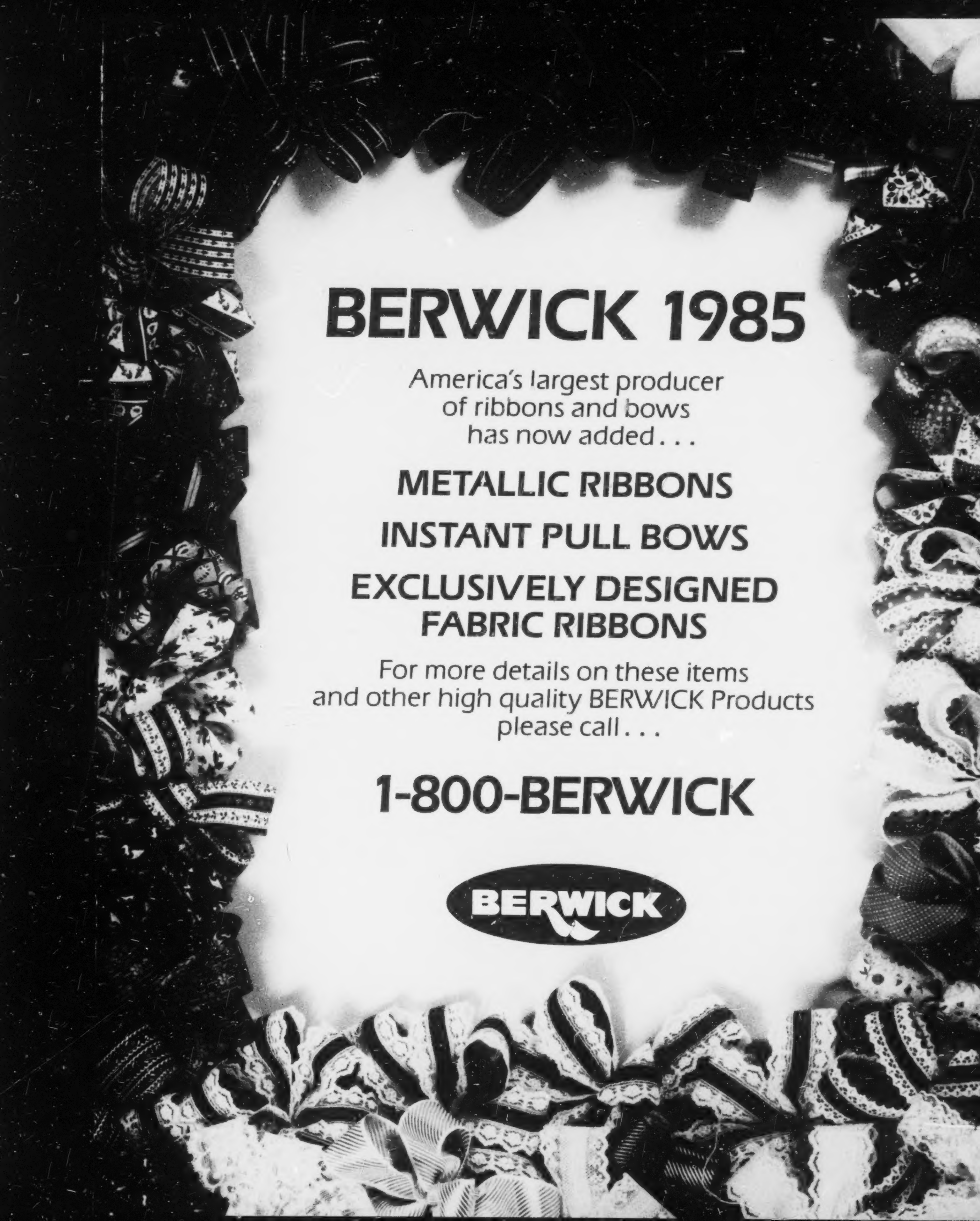
ALFRED BLEYER & CO., INC.

Booth 259, 260, 261

58–77 57th Street, Maspeth, NY 11378

Manufacturer of paper plates bulk and resale packages (colors, plastic coated, and printed). Waxed and MG bread bags, corrugated circles, die cut specialities, merchandise bags, pooch pak, glassine, and other specialty bags. Stocking distributors for Alcan of United States, National Check, Anchor Hocking, Wisconsin Tissue, Ivex, U.S. Lace, Handy Wacks, Ling Plastics, Chicago Metallic. Agents for Fabrical, Clearshield, Plastics Inc., Consolidated Cover.

Contact: Howard Rubel, Vice President 718–386–6208



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Booth 450

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Contact: Nathan Weiss, Vice President–Sales/Marketing 617–924–0800

AMERICO MANUFACTURING CO., INC.

Booth 201

6224 North Main Street, Acworth, GA
30101

A primary manufacturer of floor machine pads, hand scrubbing pads, walk-off matting of four varieties, and urinal screens. Americo's products are sold through a worldwide network of distributors. Distributors are in the fields of sanitary supplies, paper & disposals, and food service.

Contact: Kenneth S. Koblitz, Vice President, Sales & Marketing 404–974–7000

AMKO PLASTICS INC.

Booth 150,151

12025 Tricon Road, Cincinnati, OH
45246

Exhibiting on the floor and hosting a hospitality suite, we are introducing several new products: hi-density specialty bags, full color process printing and wavy-top and straight-top thick-thin bags. New 85/86 sales aids and catalogs featuring matte films and sales building marketing programs will be on display.

Contact: Molly DeVoe, Sales Assistant 800–543–7030

ARMIN CORPORATION

Booth 301

One Penn Plaza, New York, NY 10119

The leading nationwide independent manufacturer of polyethylene film and bags. A small sampling of PE film products include: overwrap, shrink film, pallet wrap, pass-through stretch, skin packaging and the largest variety of custom and standard PE bags. Armin is also the world's largest manufacturer of copolymer gloves and specialty items for the health care, pharmaceutical, cosmetic and institutional applications.

Contact: Theo H. Zervas, Advertising Manager 212–736–2201

ARTCO CONVERTERS

Booth 461, 463

One Stationery Place, Rexburg, ID
83441

Announcements and commerical envelopes

Contact: Bruce Hersh, Sales Manager, 1–800–223–1690

ARTISAN PLASTICS CORP.

Booth Madison 4

10 Ferry Street, Concord, NH

Artisanware is a coordinated line of disposable plastic dinnerware. It includes 6″ dessert, 9″ plain and divided, 10¼″ plain and divided plates and 6-ounce and 12-ounce bowls—all with an embossed rim pattern—ideal for all food-service operations. Private label and custom packaging also available. Color quotations upon request.

Contact: Gerald K. Parker, President 617-368-1488

ATLANTIC MILLS, INC.

Booth 205

1325 Washington Avenue, Asbury Park,
NJ 07712

Offering a full line of wiping cloths; food service wiping cloths and aprons; industrial wipers; health care wash cloths and professional towels; treated dust cloths and NEW stretch & clean dust cloths; cheesecloth; scrim reinforced wipers and air laid, high loft wipers.

Contact: Lesley J. Ward, Operations Manager 201–774–4882

AUTO-GRAPHICS, INC.

Booth 406

751 Monterey Pass Road, Monterey Park,
CA 91754

Exhibiting price book systems for the fine paper industry. An on-line system for maintaining and updating price books will be demonstrated. Samples and literature will be available.

Contact: Harold E. Hunt, Vice Presidnet
213–269–9451

BAGCRAFT CORPORATION OF AMERICA

Booth 101, 102

3900 West 43rd Street, Chicago, IL
60632

350 stock packages for food service, supermarkets, hotel-motel, and industrial packaging. New Designer™ handle bag, Dubl-Wax® bags, Dubl-Fresh® cookie bags, Dubl-Panel® window bags, Honeycomb™ foil sandwich wraps and bags, coated and waxed one side sheets, coffee bags, patient belongings bags, and laundry bags. New Idento™ gift packaging program, Seasons Greetings™ package designs, matched graphics on bags, sheets, handle bags and rollstock.

Contact: Alden M. Cohen 312–254–8000

BARRIER INDUSTRIES, INC.

Booth 438

200 East Main Street, Port Jervis, NY
12771

Manufacturer of maintenance chemicals for institutional, industrial, and professional use, including floor finishes, waxes, all purpose cleaners, disinfectants, bowl cleaners, carpet shampoos, food service, automotive and industrial chemical specialties. Ultra high speed thermal floor care system, accoustical ceiling tile cleaner & restorer, Bug-x™ anti-insect coating

Contact: Dee Millar, Assistant to the President 914–856–6633

ATLANTIC MILLS, INC.

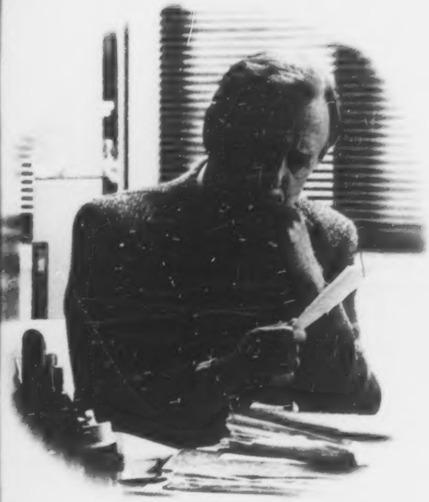
INCREASE

YOUR PROFITS & VOLUME

★ Food Service Wipers & Aprons
  - Washcloths
  - Cleaning Cloths, Dust Cloths
  - New Stretch & Clean, Industrial Wipers

★ Private Label Available
★ Special Bid Quotations
★ Competitive Pricing

Call or Write: Peter Donnelly
Atlantic Mills, Inc.
P.O. Box 680
Asbury Park, NJ 07712
201-774-4882



To cut costs
I've got to go to lower-cost,
lower-quality folded towels.

The people using them
complain all the time.

And maintenance
can't keep up 'cause people
are using more.

Changing the Shape of the

Then I saw Scott's new
Convert-A-Matic™/Sequel™
roll towel system.

It fits right into
my recessed fixtures.

Delivers roll towel economy
from a folded towel
fixture.

But there's no choice;
I've got built-in folded
towel fixtures.

We understand your problem. Your recessed folded towel fixtures have you in a tight squeeze.

You're pressured to cut costs, so you buy lower-quality folded towels. But your tenants complain that they don't live up to expectations.

And meanwhile, your maintenance people can't keep the cabinets stocked.

Just when you need a breakthrough, Scott invents a system with the economy and quality you need today.

Introducing the Convert-A-Matic™/ Sequel™ roll towel system.

This incredible new system converts your folded towel dispenser to a roll towel dispenser.

So you save two ways, right off the bat: with more hand dries on each roll, you save on maintenance; and you save with the lower cost of roll towels compared to folded towels.

Washroom. SCOTT

But the best part is
the towel; people really like
Sequel quality.

But the benefits don't stop there.

To complete the system, we invented the world's first roll towel made with our patented C-Fold technology.

Sequel is so soft and absorbent that it actually outperforms every competitive folded towel on the market. So it gives people the quality they expect today.

It's a win-win proposition. But you have to see it to believe it.

For more information and free Sequel samples, call toll-free: 1-800-FOR-INFO (in PA: 215-337-1864), and ask for Extension 13. Or write: Scott Paper Company, Scott Plaza One, Philadelphia, PA 19113.

Call or write today, to get out of the squeeze, and get on a roll.

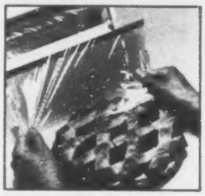
SCOTT: The household name, away from home.

See the Convert-A-Matic™/Sequel™ roll towel system for yourself at booth #439-440-441

Convert-A-Matic Dispenser and Sequel Roll Towels are trademarks of Scott Paper Company © 1985 Scott Paper Company

Five ways to make your food wrap film dispensing

Now choose from five Bulman countertop mounting, wall mounting and portable countertop food wrap film dispensers to fit your needs. These durable, sturdy dispensers feature stainless steel serrated blades or replaceable stainless steel cutting surfaces. You also get fast film dispensing and convenient roll



easy as pie!

replacement in a compact, space saving design. 12″ and 18″ wide sizes accept 7½″ to 9″ diameter rolls. Finished in high quality white enamel, or in stainless steel, every Bulman unit provides safe, sanitary film dispensing wherever food is prepared, packaged or served. Easy as pie! Contact us or your film supplier for details.

▼▼▼▼▼BULMAN Products, Inc.

1650 McReynolds, N.W., Grand Rapids, MI 49504 616/363-4416

BEACH PRODUCTS

Booth 130

One Paper Place, Kalamazoo, MI 49001

Offering a complete line of disposable napkins, cups, plates, tablecovers, coasters and placemats with a full range of sizes. Custom printing is available on all items. The company features over thirty contemporary designer colors that are available plain or custom printed.

Contact: Hal von der Osten, Vice President/ Special Markets 616–349–2626

BEDFORD INDUSTRIES, INC. & BEDFORD PLASTICS, INC.

Booth 122

1659 Rowe Avenue, P.O. Box 39,
Worthington, MN 56187

Top quality tie ribbon available in retail packs, cuts, gangs, spools, spoolless. Double and single wire, paper plastic, and plastic/paper. Solid Phase Pressure Formed (SPPF) polypropylene bowls, lids, and trays clear, colors, and prints. Microwavable retail food storage containers. Crystallized pet containers and trays.

Contact: Kim Milbrandt, Director 507–376–4136 / 800–533–5314

BEIER & COMPANY

Booth 171

800 E. River Road, Dixon, IL 61021

New line of decorated, custom imprinted, and plain, bio-degradable, bags and wrap for environmentally conscious retailers. Distributors' sales support and promotion program for the line. Also, full Beier line display incorporating many new items and marketing concepts for products sold to food service, drug, florist, sanitary, and hospitality markets.

Contact: Dwight Young, Marketing Manager 815–284–6666

BERWICK INDUSTRIES, INC.

Booth 207, 208, 209

80 E. Ridgewood Avenue, Paramus, NJ 07652

New products! Metallic ribbons, instant *Perfect Bows,* and exclusively designed fabric ribbons—compliment our high-quality line of ribbons, bows, and accessories. Call 1-800-BERWICK for a complete catalog which shows off the best ribbons available—*Satinette,* plain & printed *Flora-Satin,* along with *Splendorette* ribbon and matching bows.

Contact: Rick Norton, National Sales Manager 201–265–7710

BETTER PACKAGES, INC.

Booth 200

8 Brook Street, Shelton, CT 06484

Electric and manual gummed tape machines; pressure sensitive tape dispensers; package sealers; label and envelope moisteners; label gluers; automatic case sealing systems, utilizing gummed tape, pressure sensitive tape–hot melt adhesives; electronic USPS/UPS weighing systems; mailing machines for USPS meters/UPS registers; mechanical mail/shipping room scales; electric mail openers; mail room furniture.

Contact: Evelyn J. Chellis, Director of Advertising 203–735–1851.

BOAS BOX COMPANY

Booth 228

44 Greenfield Avenue, P.O.Box 111,
Ardmore, PA 19003

Immediate shipment on over 270 sizes and styles of gift, jewelry, and florist boxes. 70 attractive colors and patterns plus gleam white, natural kraft, and satin silver. Metallic hot stamping and printing in most colors. Stop by our booth, write or call (toll free) for our new illustrated catalog.

Contact: David Groverman, President 1–800–BOAS BOX 1-215–649–6100

BOYLE-MIDWAY
Booth Bryant 6
685 Third Avenue, New York, NY 10017

Boyle-Midway offers a variety of national brand cleaning products for institutional and foodservice use, i.e., Easy-Off Oven Cleaner, Easy-Off Glass Cleaner, Old English Furniture Polishes, Sani-Flush Toilet Bowl Cleaner and Noxon Metal Cleaners.

Contact: Lenore Suchy, Inst. Sales Manager 212-878-5600

BULMAN PRODUCTS, INC.
Booth 155
1650 McReynolds NW, Grand Rapids, MI 49504

World's largest manufacturer of dispensers and cutters for rolled paper, film, foil, ribbons, pressure sensitive tape, and thick packing material. Featured will be Bulman's line of food service products. Bulman has the product line to best help you market your products to the greatest number of users.

Contact: Jack Kirkwood, President 616-363-4416

C.P.I., INC.
Booth 458, 459
Route 34 and Artisan Way, Colts Neck, NJ 07723

Sales service, asset management and management information are the focal points of the CPI computerized paper sytem. A unique software system designed from the bottom up for the personalized requirements of paper distributors. Covering all aspects including sales and purchase order processing, pricing, inventory management, financials, management information and more.

Contact: Philip Sturm 201-462-8900

CANDLE CORPORATION OF AMERICA
Booth 400
141 W. 62nd Street, Chicago, IL 60621

Candelabras, candles in glass *Venetian,* candle warmers for food and beverage, taper candles, candle lamps, fuel lamps. New product featured *Chafe Safe* liquid food warmer for use in chafing dishes.

Contact: Ronald M. Struebing, National Sales Director 312-207-2000

CANOVER INDUSTRIES INC.
Booth 460
48th Street & Maspeth Avenue, Maspeth, NY 11378

Tuff-Pak reinforced mailing bags, *Tuff-Pak* self seal mailing bags; wrapping tissue—#1 MF *Flamingo Tissue,* MG *Velveteen Tissue,* #1 MG *Velveteen,* #2 MF tissue, #1 MF *Flamingo Colored Tissue;* paper merchandise bags plain or printed, kraft, white and *Canover Colors;* specialty bags; custom printed kraft, litho and foil; deluxe gift wrapping papers; kraft counter rolls.

Contact: Donald Runyan, National Sales Manager 312-671-6464

CAREW POSITIONAL SELLING SYSTEMS, INC.
Booth 249, 250
25528 Genesee Trail Road, Golden, Co 80401

The Positional Selling™ family of sales skills development products is a totally unique approach to improving sales productivity in organizations that put a premium on increased sales, increased market share, and increased margins. This is a system that was developed for the paper industry, and has proven itself in the merchant environment—both industrial and fine paper.

Contact: Joseph Cascarelli, Vice President 303-526-9566

CARROLL COMPANY
Booth 422
2900 W. Kingsley Road, Garland, TX 75041

Cleaners, floor polishes, soaps, disinfectants, deodorants, aerosols, acids, powders, and deodorant blocks.

Contact: Steve Johnston, Vice-President, Sales 214-278-1304

CATTY CORPORATION
Booth 466
111 Black Rock Tpke., Fairfield, CT. 06430

Carroll Company, founded in 1921, is a national manufacturer of private label chemical specialties, both liquids and powders.

Let a Carroll representative help you make the right decision about YOUR chemical program.

Visit Booth 422 or call 1-800-527-5722!!

SOLVS-IT
CLEANER-DEGREASER
LEVEL best
ADD+
SUNSHINE
ZZZOTT!
Ten
SUL-FURY
Easy UP
SANI SOFT
Lemon

CARROLL *Chemical Specialties*

CARROLL COMPANY • 2900 W. Kingsley Rd. • Garland, TX 75041 • Nat'l: 1-800-527-5722 • TX: 1-800-442-4890

Catty Corporation produces a premium line of gift and box wrap featuring The Catty Collection of foil gift wrap. Since 1907, Catty's experienced craftsmen have printed custom designs on paper, cellophane, and mylar as well as foil. Standard selections provide quality-conscious retailers a premium wrap that reflects the occassion.

Contact: Peter Bigelow, Director of Marketing 203-336-1388

CELLOPLAST USA, INC.,

Booth 257, 258

375 North Street, Teterboro, NJ 07608

Teno Spin, a premium stretch film with one-sided cling for optimum results on pre-stretch and conventional equipment, is color-tinted for heavy or light load identification. Available in black opaque for loads requiring protection against pilferage or sunlight. Each roll packed in an individual carton for easier handling

Contact: Robert F. Lovett 201-488-6160

CELLUCAP MANUFACTURING COMPANY

Booth 160

4626 North 15th Street, Philadelphia, PA 19140

Offering a full line of sanitary disposable headwear including: paper overseas caps, chef hats, hairnets, institutional caps (O.R. style), tiaranets, ladies headbands, utility caps, beard protectors and bump caps.

Contact: John Twamley, Vice President-Sales 215-324-0213.

CHAMPION INTERNATIONAL CORPORATION

Booth 420, 421

Coldenham Road, P.O. Box 271, Walden, NY 12586

Visit our booth to see our new, innovative shopping bags.

Contact: Robert E. Costa, General Sales Manager 914-778-5511

CHEMFIRST/TUFFWEAR CORPORATION

Booth 410

P.O. Box 573, Saddle Brook, NJ 07662

Perfumed toilet bowl deodorants, perfumed air deodorants, super urinal screen, chemical counter odorants, disposable clothing and products, including coveralls, aprons, hoods, lab coats, shoe covers, surgeon hats, isolation gowns, X-ray gowns, sheets and pillow cases.

Contact: Alfred M. Katz, President 201-773-8187

CHESAPEAKE FIBER PKG. CORP.

Booth 173, 174

11000 Gilroy Road, Hunt Valley, MD 21031

Manufacturer of all types of disposable food package products. Specifically fried food and bakery.

Contact: Carol A. Harmon, Customer Service 301-666-2233

CHICOPEE

Booth 423

317 George Street, New Brunswick NJ 08901

Chicopee's wide variety of products--Stretch 'n Dust™ cleaning cloth, Masslinn™ cleaning cloth and Chicopee® sweeping tools for your customers' dusting needs. For industrial wiping, Chicopee dry/solvent wipes and Chicopee soft cloth. For recreational needs, *Masslinn/chix* sports towel. For foodservice, *Fresh Guy* cloth towels, *Chix* foodservice towel, *Chix* wet wipes, *Chix* aprons.

Contact: Zebek Gallagher, Sales Promotion Coordinator 201-524-7292

CLARK PAPER CONVERTING CORP.

Booth 202

1625 Potrero Avenue, S. El Monte, CA 91733

Manufacturers of Shieldor, Armdor, Peldor, Rolldor and Firmdor paper toilet seat covers and dispensers, as well as Shieldor urinal screens.

Contact: Merle Sukut, Vice President 818-442-5652

CLEAR SHIELD NATIONAL, INC.

Booth 246

1175 South Wheeling Road, P.O. Box 337B, Wheeling, IL 60090

Disposable plastic tableware—retail packaged cutlery, cocktail glasses and tumblers. Individually wrapped cutlery and kits containing napkin, straw and condiments for use as school kits and restaurant packets. Plastic carnival drinking straws (bagged and individually wrapped) and cocktail stirrers.

Contact: Roger D. White, General Sales Manager 312-541-2900

BEN CLEMENTS & SONS, INC.

Booth 134, 135

50 Ruta Court, S. Hackensack, NJ 07606

TACH-IT tag attaching and joining division of Ben Clements & Sons, Inc. exhibiting new complete expanded line of polypropylene and nylon attachments including TANGL-PRUF tagging barbs, display HOOK-UPS, DUBL-HEADER security loops and cable ties. Hand held TACH-IT 2 and mini TACH-IT tagging guns, manual, electric and pneumatic tagging and joining equipment.

Contact: Stanley Clements 201-440-5500

COASTLINE PACKAGING, INC.

Booth 443

2574 N. University Drive, Sunrise, Fl 33322

A complete line of domestic and imported retail packaging, sold exclusively through distributors. Coastline specializes in small minimum quantities. Products include patch handl-bags, poly-draws, drawstrings, garment rolls, high and low density merchandise bags, rigid handl-bags, shoppers, etc. Coastline also features exclusive "boutique bags," poly coated paper bags with rope handles.

Contact: Harvey Rosenbloom, President 1-800-327-8406

COLGATE PALMOLIVE COMPANY

Booth 449

105 Hudson Street, Jersey City, NJ 07302

A complete line of cleaning products, soaps and detergents for the lodging and food service trade, featuring the following products: Institutional Ajax Cleanser, Ajax Liquid, Ajax Scouring Creme, Palmolive Liquid, Fresh Start, Dynamo, Burst Laurdry Detergent, Cashmere Bouquet, Palmolive Soap and Colgate Pumice Soap.

Signature
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CROWN
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CROWN
Signature
CROWN

It's not just facial tissue.

It's important to your guests, it's important to you…and us. We've put our softest white, yellow and vanilla tissue in a new Poly Gard designer box. And since it's important, we've added peach indicator sheets to say you're running low.

CrownZellerbach

A Source for all Reasons

Booths 211 & 212

For information call:
Bob Arden (415) 951-5062

Contact: Frank Weil, Sales Manager 201–547–2608.

COMET PRODUCTS, INC.

Booth 162, 163

6 Stuart Road, Chelmsford, MA 01824

Exhibiting clear plastic disposables drinkware, dinnerware, stemware, portion cups and dessert dishes with lids, promotional tumbles, stock print and special print tumblers, tinted tumblers and dinnerware, retail packages, and soft plastic clear unbreakable tumblers.

Contact: Sherry Andrews, Administrative Assistant 617–256–6551

COMMODORE PLASTICS, INC.

Booth 442

26 Maple Avenue, P.O. Box 96,
Holcomb, NY 14469-0096

Our products are: meat trays, party trays, salad bar containers, plates, and pizza packaging. Commodore also makes: custom thermoformed sheet products for industrial uses.

Contact: Stephen R. Lamboy, Vice President, Marketing 716–657–7004

CONTINENTAL EXTRUSION CORPORATION

Booth 231, 232

2 Endo Blvd., Garden City, NY 11530

Manufacturers of complete line of hi and low density polyethylene bags for retail food, retail nonfood and promotional use. New products this year include stock food bags, clear bakery bags. Also: Superbag, Superbag, Jr. Deli-bags, Check-Sak, Patch Handle, The Twistlock System, Duffle Bag, Domestics Bag, Gourmet Packaging.

Contact: Miriam Uhlan, Marketing Services Manager 516–832–8111

THE CROWELL CORPORATION

Booth 240

Crowell Road at Harding Avenue, P.O.
Box 3227, Newport, DE 19804

The Crowell Corporation will exhibit Samson and Tufftape reinforced and plain gummed sealing tapes, as well as CRO-NEL® and Nyvel® cold seal packaging materials.

Contact: Jerome J. Kipnees, Vice President, Marketing 302–998–0557

CROWN ZELLERBACH

Booth 211, 212

1 Bush Street, San Francisco, CA 94104

Crown Zellerbach markets a full line of sanitary paper products–towels and tissue, including a full proprietary product line–roll towels, tissue, and soap. The company also offers a complete foodservice product line–napkins, placemats and foodservice wipers. This line is available in plain, colored, and custom print.

Contact: Robert Arden, Manager, Marketing Services 415–951–5062

THE CRYSTAL TISSUE COMPANY

Booth 119

P.O. Box 449, Middletown, OH 45042

Full line of tissue for the retail packaging, gift wrapping and floral industry, featuring designer colors, stock prints, custom printed, colored waxed florist tissue and white.

Contact: William Glancy, Manager–Printed Products 513–423–0731

CYKLOP STRAPPING CORPORATION

Booth 255 & 256

Boot Road, Downingtown, PA 19335

Complete line of manual and electronic gummed tape dispensers with printer, dater and repeater accessories and an assortment of manual strapping tools and non-metallic strapping products.

Contact: Ralph E. Morini, Vice President–Machinery & Systems 215–873–0290

DART CONTAINER CORPORATION

Booth 402, 403, 404

500 Hogsback Road, Mason, MI 48854

Insulated foam plastic cups, containers and bowls. Single service impact and foam plastic plates and bowls. Foam plastic hinged lid trays. Plastic cutlery. Thermoformed plastic cold cups and food containers. Custom and stock printed cups and containers.

Contact: B. Gordon Byron, Show Manager 517–676–3800

DATACOM, INC.

Booth 430

P.O. Box 9[illegible], 301 Lakeside Drive,
Horsham, PA 19044

Full line of paper products, add rolls, cash register rolls, bond copy rolls. Legal, ruled and scratch pads, quadrille pads, desk and easel pads and steno books. Complete line of file folders–manila, hanging, colored, pressboard, partition and reinforced as well as file guides and index cards. Clasp and catalog envelopes.

Contact: James Crowley, Marketing Coordinator 215–443–5700

DECKER TAPE PRODUCTS COMPANY, INC.

Booth 182

6 Stewart Place, Fairfield, NJ 07006

A major converter offering a full line of pressure sensitive tape products. With the addition of their new printing and die cutting department, it now makes the company one of the most complete and reliable sources for all paper products. Information on the full line can be found in our distributor price book.

Contact: Jack Decker, Vice President 201–227–5350

DISPOSABLE PRODUCTS COMPANY, INC.

Booth 131

Front and Ford Streets, Bridgeport, PA
19405

We manufacture paper wipers, food service wipers, lint free wipers, treated yellow dusting cloths, bath towels, wiper on a roll, wash cloths and wiping rags.

Contact: Jack Berk, President 1–800–345–6396 or PA 215–277–3000

DISTRIBUTOR CONCEPTS

Booth 266, 267

2460 S. Industrial, Ann Arbor, MI 48104

Distributor Concepts offers the DEBS System which is a comprehensive turnkey computer solution for wholesale distributors of paper products. Distributor Concepts is an authorized "Value Added Remarketer" for IBM, and the DEBS Software Solution is offered on the IBM System 36.

Contact: Paul George, Chief Operating Officer 313–663–4214

THE TIGER NEVER SLEEPS

CPI's PAPER TIGER

A CUSTOM SOFTWARE PACKAGE DESIGNED FOR THE PAPER MERCHANT

Paper Tiger is the result of thousands of hours of research into the specific operational requirements of the paper merchant. We first studied and addressed the unique inventory, cost, purchase, substitution and ***SALES/SERVICE*** data critical to the industry. Only then did ***CPI*** begin work on the software design we call ***Paper Tiger.***

The result? Stated simply, ***Paper Tiger WORKS.*** It's the ***COMPLETE*** system for the paper merchant. It gives you instant access to accurate, timely data that helps provide your customers with better service. As a result you sell more product, operate more efficiently and are more profitable.

If you think that these are pretty tough claims, you're right. But ***CPI*** and ***Paper Tiger*** deliver on every one of them—and more.

So, why not give us a call. We'll send you, with no obligation, an information package that details how ***Paper Tiger*** can improve your business. And you'll be taking the first step towards better sales, service and profits, plus one more extra we didn't mention—peace of mind.

CPI, Inc.
Route 34 & Artisan Way, Post Office Box 188
Colts Neck, NJ 07722
1-201-462-8900

DOUGLAS STEPHEN PLASTICS, INC.

Booth 465

P.O. Box 2775, 22–36 Green Street,
Paterson, NJ 07509

Full line of proprietary and custom dispoable products: vending and food service containers; pie wedges; ice cream containers; clear dome lids for plastic, paper, china and glass bowls, plates, glasses, and aluminum pans; cater-platters; cookie, bakery and specialty food trays, food service and retail cutlery kits, and bulk cutlery.

Contact: Eddie Toby, Vice President 201–523–3030

DRACKETT PRODUCTS COMPANY

Booth 175, 176

5020 Spring Grove Avenue, Cincinnati,
OH 45232

The Drackett Products Company will be exhibiting their nationally branded high quality items such as Windex, Windex Plastic Cleaner and Polish, Endust, Behold, Maxi Angler Broom, Maxi-Lok Push Brooms, Drano, Vanish, Renuzit Air Fresheners, Mr. Muscle Oven Cleaner, Skidoo Insecticides, Good Measure Cooking Spray and Whistle All Purpose Cleaner.

Contact: Joseph E. Lemmel, Administrative Manager 513–632–1520

DRACKETT PRODUCTS COMPANY (DOREX, INC.)

Booth 247, 248

5020 Spring Grove Avenue, Cincinnati,
OH 45232

Dorex "Beer/Clean" glass cleaner, mineral solvent, sanitizer; quality chemical products and accessory equipment for the food and beverage service industry.

Contact: Joseph E. Lemmel, Administrative Manager 513–632–1520

DUNI CORPORATION

Booth 436, 437

9073 Deerbrook Trail, Milwaukee, WI
53223

Manufacturers of the following disposable products: Dunicel® tablecovers, napkins, placemats, banquet and conference rolls, Duni® 2 and 3 ply tissue napkins, Duni® paper plates and paper placemats, Duni® coasters and paper/plastic tablecovers, Dunilin® hot towels, and Duni® crystal line soft glasses.

Contact: Jack Abelarde 414–355–8230

DURO PAPER BAG MFG. CO.

Booth 100

Davies & Oak Streets, Ludlow, KY 41016

Grocery bags and sacks, millinery and notion bags, waxed bags, carrier box bags, paper and plastic shopping bags and Plas–T Saks.

Contact: Paul Feldman, Vice President of Sales 606–581–8200

DYNAMIC COMPUTER SYSTEMS, INC.

Booth 149

169 River Street, Troy, NY

Hardware and software specifically designed for the paper wholesale distribution industry. Our product works in conjunction with all types and sizes of distributors.

Contact: Robert Finkle, Systems Specialist 518–272–5696

ECO-LINE, DIVISION OF ECONOMICS LABORATORY, INC.

Booth 188

4 Corporate Park Drive, White Plains,
NY 10604

Manufactures and markets specialty cleaning products and equipment with an extensive line of warewashing, sanitation, laundry and housekeeping products to the foodservice and hotel/motel industry.

Contact: D.W. Kallgren, Manager, Support Functions 914–694–8626

ECONOCO CORPORATION

Booth 140, 141, 142

300 Karin Lane, Hicksville, NY 11801

Complete line of single, double and triple gift wrap paper cutters; polished chrome polyethylene dispensing racks; printed zippered vinyl garment covers; printed polyethylene garment bags. Introducing the *"Misty" Steamer* for garments and fabric.

Contact: J. M. Rosenberg, Vice President 516–935–7700

EDET NEDERLAND BV

Booth Bryant 5

Ledeboerstraat 44, P.O. Box 5044, 5004
EA Tilburg, The Netherlands

A complete line of disposable paper products like: for consumer market—baby tissues, multi-purpose rollholder for numerous household applications; for institutional/industrial market—handtowels, wipers, dispensers, etc. emphasizing on the *Horizon* and *Papermatic* line for use in public areas, bathrooms, hotels, etc. Hospital products like protection sheets, bibs, inspection couch rolls, a complete line for incontinence, etc.

Contact: Jan De Laat, Export Manager 011–31–1367–1991

EKCO PRODUCTS, INC.

Booth 132

777 Wheeling Road, Wheeling, IL 60090

Complete catering system; Showcase® packaging, featuring two new sizes plus new two compartment and three compartment versions with friction fit flat lid or dome; TwisLok™ layer cake, holiday, new all–plastic strip cake, layer cake and half–cake bakery packaging; new pie Crust Saver™ dome and carry-out line in convenient combo packs.

Contact: David Mason, National District Sales Manager 312–459–1500

EPCO, INCORPORATED

Booth 302

763 Waverly Street, Framingham, MA
01701

Paperboard food service items: disposable foil and paper laminated ash trays, butterchips, stock cookie boxes, caterer's platters, decorated cake boxes, oven ready foil laminated trays, take-home foil laminated boxes, ice cream dishes, sandwich separators, vending boards, frankfurt holders, aluminum container lids, cake circles, pie wedge plates, and all kinds of die cut paper specialties.

Contact: Robert Epstein, President 617–879–3630

EPIC INDUSTRIES

Booth 210

710 Middlesex Avenue, Metuchen, NJ
08840

Complete line of detergents, disinfectants and deodorants in liquids, aerosols, powders; ice melters, tablets and blocks. Complete warewashing and laundry programs. Liquid, powdered and cartridge hand soaps and dispens-

ERVING Setting the Pace for the Long Run

ERVING
6
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ERVING
SOFT · STRONG · ABSORBENT
RADIANCE
PAPER TOWELS
Wendy's

Our Track Record

It takes endurance and stamina to maintain a healthy position in this competitive industry. As an 80-year-old full service company that manufactures, converts and distributes paper products, we've not only held our ground, we've advanced to the front of the field.

The Relay Race

Timely delivery is a commitment at Erving. We've developed a cross country network of distribution and communications utilizing our own fleet of trailers and a highly trained team of sales representatives.

Finish Lines

Our product lines are a step ahead of the competition. We offer food service and restaurant paper products from a full line of dispenser napkins to our exciting new "Deeptones" napkins and table covers. We specialize in custom printing napkins and placemats.

Meeting the challenges of industrial and institutional paper needs has been easy for Erving. Our comprehensive product mix of roll and folded towels, bathroom tissue and specialty towels can satisfy even the most demanding customer needs. Teamed with our extensive line of fixtures and dispensers, they're a winning combination!

ERVING
PAPER MILLS
ERVING, MASSACHUSETTS 01344

Visit the Erving team at Booth #107-108 and see how we're willing to go the distance with you.

See Us At Booth 428

See Us At Booth 428

DISPOSABLE SANITARY HEAD COVERINGS AND APPAREL.

- Adjustable Overseas Caps
- Chef Hats
- Bouffant Hairnets
- O.R. Caps
- Beard Restraints
- Poly Aprons
- Poly Gloves
- Poly Bibs
- Tyvek Garments
- Shower Caps
- Doggie Bags

CALL OR WRITE

Franklin Disposables, Inc.

7100 HUNTLEY ROAD • COLUMBUS, OHIO 43229
1-800-848-6976 (Outside Ohio) 1-614-436-1216 (Inside Ohio)

ers. Entire line available under Epic's well known trademarks, distributor and national private labels. Locations in Metuchen, NJ, Romulus, Michigan, Houston, Texas, and City of Industry, California.

Contact: Carol Akselrad, National Marketing Manager 201–549–3200

EQUALITY/STRIBBONS

Booth 167

11 East 26th Street, New York, NY 10010

"Snap-On"™ gift package decorations are the only complete available line of pre-tied elastic stretch loops designed to beautify and simplify gift packaging at low cost. Exciting metallic and fabric roses, carnations, starburst sprays, stretch cords, twisted cord, hot stampled ribbon and foil gift cards are offered. There are many new items for Christmas '85 such as metallic bells, candy canes, and metallic holly, poinsettas and holly with cone all attached to a stretch loop for easy package decorating.

Contact: Melinda A. Scott, Sales/Marketing 212–532–3000

ERVING PAPER MILLS

Booth 107, 108

1 Arch Street, Erving, MA 01344

Exhibiting paper napkins, semi-crepe dispenser and bulk packaged, 1-ply, singlefold and multiply facial; paper towels, singlefold, multifold, ceefold, hardwound roll and household roll; banquet rolls, folded table covers, placemats; industrial wipers. Paper specialties, custom printed specialties—napkins, placemats, tray covers, coasters; colored napkins, table covers, bathroom/facial tissue.

Contact: Dennis Pfeiffer, Manager, Marketing Services 617–544–2711

FABIAN TAPING DISPENSER CORP.

Booth 419

1140 Broadway, New York, NY 10001

A complete line of pressure sensitive tape and label dispensers, bag sealers, and computer label dispensers.

Contact: Nat Bello, G. M. 212–686–4344

FLITZ INTERNATIONAL, LTD.

Booth 405

821 Mohr Avenue, Waterford, WI 53185

Flitz metal polish will be featured and demonstrated for use on all metal surfaces, fiberglass and plexiglas. *Flitz* cleans, polishes and protects all surfaces against rust, tarnish, corrosion for up to four to six months. *Flitz* is non-toxic, non-abrasive and safe for use on many types of surfaces.

Contact: Ulrich M. Jentzsch, V.P., Sales & Marketing 414–534–5898

THE FONDA GROUP, INC.

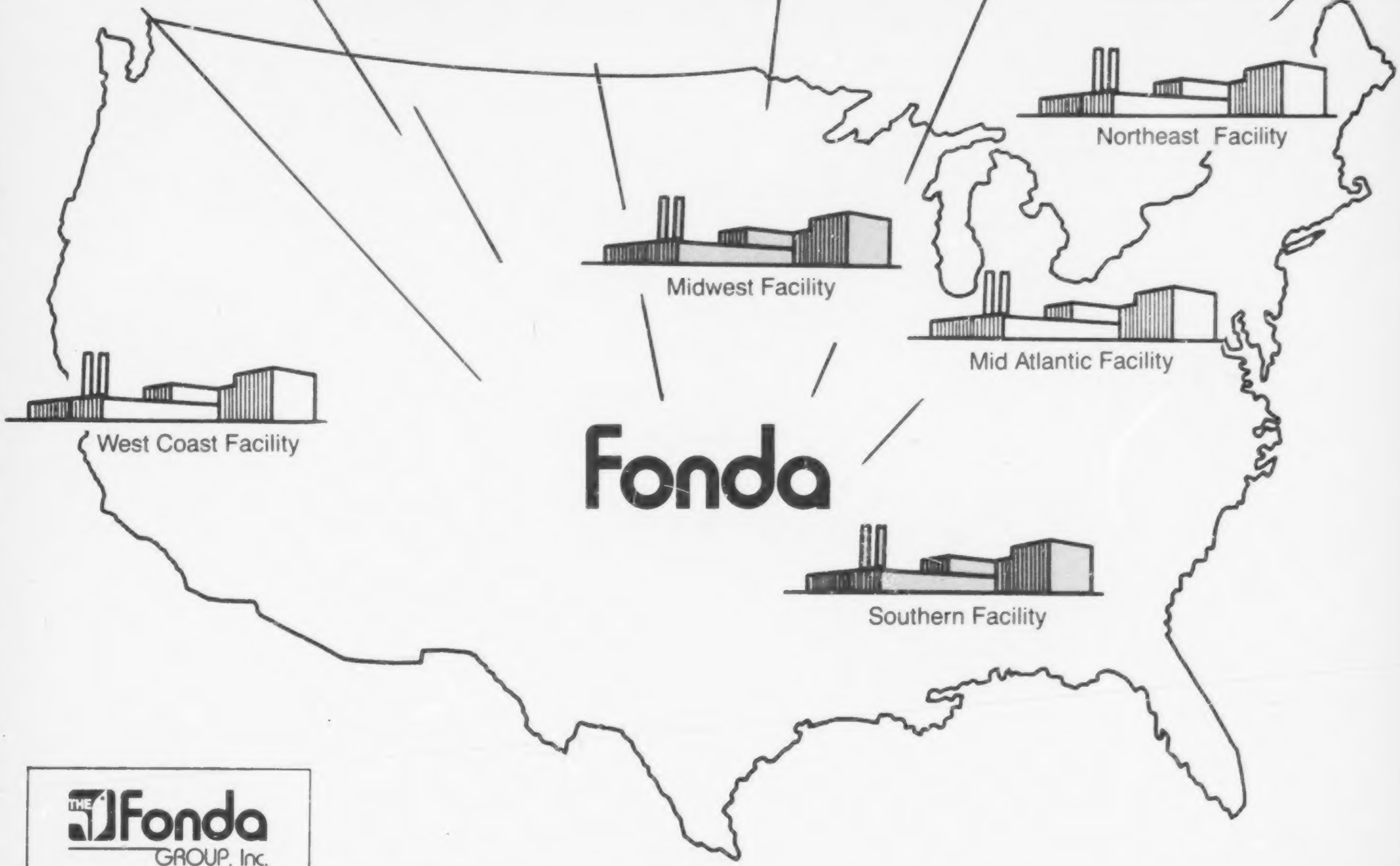
Booth 238, 239

1435 Morris Avenue, Union, NJ 07083

Full line of foodservice disposables featuring cups, plates, bowls, platters, food trays, containers and the finest custom printing in the industry. For more information stop by our booth or contact your local Fonda representative.

Contact: Carol Walsh, Admin. 201–964–0600

Fonda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Midwest Facility
Mid Atlantic Facility
West Coast Facility
Fonda
Southern Facility

THE Fonda GROUP, Inc.

Growing to meet your needs

BOOTHS
238 & 239

- New Facilities
- Expanded Product Line
- Additional Sales Personnel
- Innovative Customer Service Programs

FORMOSA TAFFETA CO., LTD., ABIC CORP./DURA BAG CO.

Booth Madison 6

201 Tung HWA N. Road, 11th Floor
Taipei, Taiwan, ROC

High density T-shirt, grocery sacks, merchandise bags, produce bags on rolls and Star Seal garbage bags.

Contact: Eugene Shaw, Agent 212–532–0556

FORT HOWARD/ SWEETHEART

Booth 111, 112, 113, 114, 115

1000 Reisterstown Road, Owings Mills, MD 21117

Fort Howard has a complete line of sanitary paper products including toilet tissue, facial tissue, napkins, folded towels, non-perforated roll towels, perforated roll towels, wipers, printed napkins and placemats. Also on display are non-woven wipers and dry form wipers and washcloths. *Sweetheart* has quality single use paper and plastic products for all foodservice markets. Including cups, plates, platters, bowls, trays, containers and straws. Also, carryout containers, ice cream cones and toothpix.

Contact: P. Richard Kalb, Sales Promotion Service Manager 301–363–1111

FRANKLIN DISPOSABLES, INC.

Booth 428

7100 Huntley Road, Columbus, OH 43229

Four styles of disposable overseas caps will be featured, the Expand-O-Crown, Lo-Mesh, Paper Peak and Mesh Peak. Also on display are Continental and Flair chef hats, nylon hairnets, O R caps, beard restraints, poly aprons and gloves, poly adult and children's bibs, doggie bags and Tyvek garments.

Contact: Michael J. Love, Sales Manager 614–436–1216

FREEMAN PAPER CO.

Booth 148

2954 Gross Street, Green Bay, WI 54304

Colored and printed place mats, white and printed bath mats, colored and printed 2 and 3–ply facial napkins (offered in 23 colors), white and printed tray covers, banquet rolls (white, colored, printed in 22 different types), 2 and 3–ply cut size table covers (54" x 54" and 54" x 108"), specialty health care items, medical examination rolls, custom slitting and rewinding.

Contact: Steven E. Boettcher, Vice President 414–336–2072

GALLOS PLASTICS CORPORATION

Booth 464

2500 Old Lexington Road, Winston-Salem, NC 27107

A full line manufacturer of molded disposable drinkware and dinnerware with decorating and packaging capabilities. The company has two modern and efficient plants located on the East Coast and the Southwest to service you, the distributor, with less lead time.

Contact: Don Forrester, Vice President 919–784–8880

GENERAL PLASTICS CORPORATION

Booth Bryant 3

P.O. Box 520398, 8900 N.W. 77 Ct., Miami, FL 33152

Manufacturers of flat industrial polyethylene trash canliners, sold to distributors throughout the nation. Canliners produced by GP/General Plastics are electronically gauged, custom cased, palletized and stretch-wrapped and are recognized for quality and consistant performance. Production of stock sizes and to specification in various colors and gauges; available for price quotation.

Contact: William G. Metaxas, Director of Sales & Marketing 305–888–3555 / 800–327–9616

GENPAK CORPORATION/ POLYTHERM PRODUCTS

Booth 315

68 Warren Street, Box 727, Glens Falls NY 12801

Foam hinged carryout containers in white/sesame. New are: jumbo, single/three compartment: ribs, chicken, fish; small breakfast: biscuits/gravy or complete meal; medium tray: baked potatoes, salads or chicken and biscuits. Hi-impact plates and bowls in white/almond. New are: dessert plate, 16 ounce salad bowl and 9" round single and three–compartment; clear bowls: 5, 12 and 24 ounce.

Contact: Douglas P. Marquis, Vice President, Marketing 518–798–9511

GO-JO INDUSTRIES, INC.

Booth 126

P.O. Box 991, Akron, OH 44309

New Go-Jo Silk Scrub with crushables is our featured new product. DermaPro Lotion Soaps and Go-Jo "Waterless" hand cleaner are also featured. A full line of soaps from general purpose lotions to specialty cleaners, plus a full range of dispensing systems.

Contact: Marcie Ross, National Accounts Director 216–920–8100

EDDIE GOODMAN COMPANY, INC.

Booth 413

25 Bond Street, Ward Hill, MA 01830

We are manufacturers of high quality retail apparel and gift boxes. We offer a selection of thirteen stock colors in paper and foil in nine different sizes. All boxes are laminated and finished in either a luster or ultra violet (UV) gloss. We also manufacture a resale gift pack which can be tailored to the needs of the individual distributor.

Contact: Andrew Goodman, 617–374–0555 / 800–343–0534

HANDGARDS, INC.

Booth Madison 3

950 Skokie Boulevard, Northbrook, IL 60062

Showing Handgard disposable plastic gloves, aprons, children's and adult bibs plus banquet rolls, Tuffgard High Molecular High Density Food Service Bags. All are FDA accepted. Line includes: fast loading sandwich bags, freezer and storage bags, deli and pizza bags, doggie bags, corn on the cob bags.

Contact: Jerry Feliu, Vice President, Sales 312-564-5870

HANDI-KUP COMPANY

Booth 310, 311, 312

190 Forrest Street, Metuchen, NJ 08840

Disposable styrofoam cups, containers, bowls, and lids.

Contact: Thomas M. Woods, Vice President, Sales 201–494–1999

HARSHAW/FILTROL PARTNERSHIP

Booth Madison 1

30100 Chagrin Blvd., Cleveland, OH

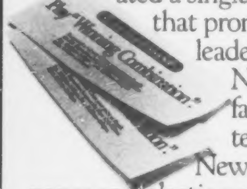
Introducing revolutionary new foodservice products: FryLight . . . a new miracle absorbent powder that will extend frying oil almost indefinitely by completely removing all soluble impurities. Desiccite 25 . . . the static

Everyone's a winner with Fort Howard/Sweetheart.®

The winning combination in disposables.

Get in on the winning and the fun at the convention's most exciting display. Play "Winning Combination" at Booths 111-115!

You always win with Fort Howard/Sweetheart. Our combined strengths have created a single resource that promises new leadership.



New manufacturing technologies. New disposable paper and plastic products in tune with today's lifestyles.

And now when you stop by our booths at the NPTA convention and play "Winning Combination" you're a guaranteed winner. Instantly! Just use the ticket we gave you or pick one up at the Fort Howard/Sweetheart booths. Insert your ticket in the "Winning Combination" machine and...Presto! The computer immediately reads the preprinted combination and tells you what prize you've won. Everyone walks away with a prize!

12 Grand Prizes!
100 Second Prizes!

There's no obligation and the fun goes on every day of the show. So come see us at Fort Howard/Sweetheart booth 111-115 and join the winning combination!

Fort Howard
Sweetheart

OUR COMPETITION IS GOOD... THAT'S WHY IFC HAS TO BE BETTER.

Look closely at IFC Nonwovens and you will find something interesting. Old-fashioned values like customer attention, quality, and cost concontainment are at the heart of our success. Innovation is the key to advantage.

We've got a new look—and we are anxious to show what it means for you . . .

A TRADITION OF GROWTH

Constructive and rapid change have been the focus of IFC's development from a regional wiping cloth company to what we are today—a fully integrated nonwoven manufacturer serving a nationwide market through janitorial and paper merchant distributors.

A PASSION FOR CUSTOMER SERVICE

Recent consolidation of all corporate divisions along with a major expansion of our headquarters in Jackson, Tennessee places our entire resources within five hundred miles of more than seventy-five percent of the U.S. population.

Our commitment to service includes lots of "little things" that set IFC apart from the competition. For instance, no minimum order quantities, an active bid support program to assist distributors in identifying and taking new bid opportunities, "Rapid Ship"$_{TM}$ —our corporate commitment to averaging 3.5 days shipping time on PPG orders, distributor training seminars (after all we have a lot of inside knowledge about end-user sales techniques including our nationally recognized telemarketing program).

INNOVATIVE MARKETING

Finding new and better ways of helping our distributors increase sales is our constant goal. We've got some pretty good practice doing new and unique things. For instance, the full-line concept of over sixty-five different kinds of wiper products was originated by IFC; we were the first to lower costs by reducing wiper sizes to eliminate wasted surface area and we're the only manufacturer to provide private labeled and "branded/non-branded" cases in small quantities to help distributors promote their own brands; and the introduction of our PPG (Preferred Product Group), a select group of ten wipers proven to be the most preferred by the marketplace.

UNEQUALED PRODUCT VARIETY

Not only do we manufacture a complete series of the best laminated and reinforced fabrics, we also bring together a package of various nonwovens representing a broad spectrum of state-of-the-art technology. But, let's not get carried away with variety. Our early years experience directly servicing end-users taught us that a small, simple grouping of the best selling wipers is sometimes a real advantage in the marketplace.

So whether your need is variety, or on the other hand, simplicity, IFC offers both a full line of products for every need; and a select group of wipers (PPG) specially designed with ease of sell and popularity in mind.

MEETING THE CHALLENGES OF THE FUTURE

We are proud of our past. But, we are more excited about the future and the changes IFC Nonwovens has yet to bring to the disposables marketplace. Our recent turnover of thousands of end-user account leads to distributors nationwide is one more indication of our commitment to traditional distribution as our exclusive sales vehicle.

Our competition is good. So we work hard every day to develop new ways for our distributors to sell wipers. As somebody put it—"You Ain't Seen Nothing Yet!"

IFC Nonwovens®

(Formerly Industrial Fabricators, Co.)

Nonwovens For Industry and Health Care

CALL US TODAY 1-800-IFC-WIPE
(432-9473)

clay disicant for humidity control in an enclosed space or package.

Contact: A. Vincent Cerny, National Sales Mgr., Foodservice Products, 216-292-9241

HERITAGE BAG COMPANY

Booth 433, 434

4434 McEwen Road, Dallas, TX 75234

Service coast to coast from manufacturing facilities located in major market areas. Product line: industrial and institutional polyethylene can liners, meat and poultry bags, non-vented, produce bags, vented, printed produce bags, vented, bakery bags, non-vented, bakery bags, printed, u-bag-its, printed, ice bags, printed, wet pak.

Contact: Wendell D. Martin, Vice President, Sales 213-233-6130

HEWLETT-PACKARD COMPANY

Booth 425, 426

7995 E. Prentice Avenue, Englewood, CO 80111

SFD/3000 is a complete computerized solution for the paper distributor. It is a fully integrated, real-time system comprised of modules for sales order entry, accounts receivable, inventory control, purchase order entry, accounts payable and general ledger. This software solution is user customizable and utilizes the HP 3000 computer line.

Contact: Bill Lynch, Sales Development Engineer 303-773-1992

HOSPITAL SPECIALTY COMPANY

Booth 124

7501 Carnegie Avenue, Cleveland, OH 44147

Hospital Specialty is the only manufacturer of feminine hygiene for the institutional market with three plants and 19 warehouses to meet distributor's needs. Millions of women's needs are satisfied daily by Tampax tampons (#1 brand of all products), gards and soft and thin sanitary napkins and vendors. Also featuring first aid kits, bulk pads, elastic leg baby diapers.

Contact: William Kanther, National Sales Manager 602-829-0989

HYGRADE LAMP COMPANY

Booth 467

1605 John Street, Fort Lee, NJ 07024

We manufacture long-life light bulbs and fluorescent tubes. Our feature 5,000 hours life are made in 130 volt, with brass base. We are an independent manufacturer with over fifty years experience in the lighting industry.

Contact: Gary Siegal, President 201-947-4111

I.R. INDUSTRIES, INC.

Booth 268

3 Westchester Plaza, Elmsford, NY

Manufacturers, converters and wholesalers of printed and uprinted box sealing tapes to the trade. Complete line of PVC "talking tapes" will be shown. Additionally the company is introducing "Econo Tapes" a printed polypropylene product manufactured in Elmsford, NY. All printed and unprinted products are available in most colors and sizes.

Contact: Irwin Ross, President 212-733-5255 / 914-592-5173

IMPERIAL CUP CORPORATION

Booth 103, 104, 105

808 Fontaine Street, Kenton, OH 43326

The newest manufacturer of single service products for the food service industry. Imperial manufactures a complete line of vending and manual over-the-counter cups and containers for the vending and foodservice industries. A nationnwide truck fleet provides direct delivery service to insure prompt and efficient deliveries.

Contact: Cynthia Hayes, Customer Service Manager 419-673-0711

INDUSTRIAL FABRICATORS COMPANY, INC.

Booth 409

20 Phillips Road, Jackson, TN

Industrial Fabricators is your source for a full line of wiping products. Offered are products manufactured from conventional paper, scrim reinforced tissue, carded web fabric, airlay material, DuPont Sontara fabric and oil impregnated web. Industrial Fabricators are dedicated to quality, service, the most full line of wipers in the industry at a competitive price.

Contact: Mike Palecek, Vice President Marketing & Development 1-800-IFC-WIPE

INLINE PLASTICS CORPORATION

Booth 447

40 Seemans Lane, Milford, CT 06460

Introducing the new *Sure Lock* line of containers. A method of packaging for bakery, deli and salad bars, that is as diversified as your operation. The line consists of a one piece clear hinged lidded container manufactured in six sizes, and a two piece utility container available in five sizes.

Contact: Donald H. Oswall, Vice President Sales & Marketing 203-878-8537

JET/PLASTICA INDUSTRIES, INC.

Booth 146, 147

1100 Schwab Road, Hatfield, PA 19440

Manufacturer of "Jetware" plastic drinkware and dinnerware, "Plasticaware Cutlery" which includes four grades of cutlery and "Plasticaware Foam" cups, containers and bowls. Our complete product line contains over 300 products. Jetware now has 60 new items. Our cutlery line includes complete wrapped and kit capabilities. Printing both stock and custom has now been included in our complete foam cup program.

Contact: J. Patrick Hanlon, National Sales & Marketing Manager 1-800-JET-WARE

K.H. INDUSTRIAL SALES COMPANY

Booth 165

P.O. Box 473, Riverdale, NY 10471

Exhibiting tape dispensers for carton sealing tapes such as: PVC tapes, polypropylene tapes, mylar tapes. Dispensers for label protection tapes, filament tapes, bag sealing tapes, double coated tapes, cellophane and magic mending tapes. Label caddies.

Contact: Kurt Hecht, President 212-796-1733

KAISER ALUMINUM

Booth 407, 408

300 Lakeside Drive, Oakland, CA 94643

Aluminum foodservice wraps and containers; roll foil, cut sheets, sandwich wrap and bags, PVC film wrap. Disposable regid foil con-

More Paper Distributors Are Selecting Lockwood's APDsystem

AUTOMATED PAPER DISTRIBUTION

The most important consideration in buying a computer system is finding good software and a company with a proven track record to install and support it. The **Lockwood APDsystem** has been designed for the paper distribution business. This system provides you the tools for: improving inventory turns, better customer service, quicker AR collection, and proper utilization of discounts. You, too, can make it happen for your company with the following support functions.

A User's Group

With over 400 system installations, Lockwood systems users get together once a year to exchange ideas, look at new enhancements, and give input to future developments.

24 Hour Phone Service

Lockwood's service department is on call 24 hours each day to help you with problems, and can dial into your system for on the spot support if necessary.

Maintenance

Lockwood provides on-site maintenance to handle any problems, provide enhancements or upgrade your system.

Installation

Lockwood employs a top-flight team of installation specialists who will get your system up and running fast.

Education

Lockwood maintains ongoing training seminars to teach your employees to use the software, and the hardware.

Lockwood SM

APDsystem

AUTOMATED PAPER DISTRIBUTION

The Lockwood Association, Inc. • P.O. Box 17326 • San Antonio, TX 78247 • (512) 824-1439

tainers, steam table pans, bakery pans, caterware

Contact: C.G. (Chuck) Blanton, Eastern Regional Manager 617–890–8150

KEYSTONE ADJUSTABLE CAP COMPANY, INC.

Booth Morgan 4

1591 Hylton Road, Pennsauken, NJ 08110

Save $$$ on disposable headwear manufactured by Keystone for over 60 years featuring a complete "one stop line" of quality paper "Classy Caps," overseas caps, chef hats (set-up ready-to-wear or flat-packed), O.R. bouffant/nurses caps, beard covers, hairnets, hairnets with visors, lemon covers, aprons, food handlers' caps, Tyvek products, painters' caps—all available with multi-color printing. If your next order doesn't come from Keystone, you'll pay too much . . . check our SHOW SPECIAL!!

Contact: Malcolm George, President 609–663–5740

R.J. LACHMAN INC.

Booth 128

84 Modular Avenue, Commack, NY 11725

Showing the 1985 supplement to the all inclusive gift wrap catalog with emphasis on Christmas designs plus the introduction of matte finish solids. An expanded gift bag program will be exhibited consisting of 18 items in 4 lb. and 8 lb. SOS bags and a liter size bottle bag.

Contact: Bob Lachman, President 516–543–6400

LAMINATIONS CORPORATION

Booth 183, 184

2254 Harrison Street, Neenah, WI 54956

VBoard protects, contains, cautions, identified, strengthens, reinforces, advertises, merchandises and is reusable! VBoard a tough, sturdy product made entirely of laminated paperboard. Thickness to 1/2", lengths from 2 1/2" to 348". VBoard is designed to compliment and enhance the many other industrial items your sales force now offers to the market place.

Contact: Joseph N. Maehl, Vice President, Marketing 414–725–8368

LIN PAC FLEXIBLE PACKAGING

Booth 187

5725 Commerce Blvd., Morristown, TN

Company produces Lin Sacs—thick/thin wave and flat top handle bags—and Tee-shirt bags at custom built plant in Tennessee. Printing up to 4 colors on 2 sides available. Patented dispensing system for ease of dispensing. Member of the Lin Pac Group.

Contact: Chris Barton, Sales Manager 615–586–8917

THE LOCKWOOD ASSOCIATION, INC.

Booth 179, 180

P.O. Box 17326, San Antonio, TX 78217

The Lockwood Association provides a computerized inventory control system for the wholesale paper distribution industry. From order entry to sales analysis to general ledger accounting, Lockwood's Automated Paper Distribution System(APDS) is a complete data processing system designed specifically for industrial paper merchants.

Contact: David Mayers, Account Manager 512–824–1439

LONGVIEW FIBRE COMPANY

Booth 156

20 Cooper Lane, Waltham, MA 02154

Manufacturers of colored kraft bags and wrapping paper—primarily for retail packaging. We also offer special use bags. Visit our booth #156 on the floor.

Contact: H.E. Darling, Regional Sales Manager 617–894–0040

LPS INDUSTRIES, INC.

Booth 168, 169

113 North 13th Street, Newark, NJ 07107

LPS Industries will feature a complete line of packaging materials highlighted by static control bags for packaging of electro static sensitive devices, both antistatic and conductive. These bags are available in polyethylene and laminated constructions as well as with LOC-TOP resealable zipper closures. Also featured will be a complete line of: Pres-Quick envelopes, Loc-Top poly bags, and Compu-Stick labels.

Contact: Philip Pasqualone, Marketing Director 201–485–4400

3M/TAPE & ALLIED PRODUCTS

Booth 164

3M Center, 220–3E–05, St. Paul, MN 55144

3M tapes, tape dispensers/applicators and box sealing equipment.

Contact: Thomas H. Richards, Distributor Relations Director 612–733–7600

MAI, BASIC FOUR, INC.

Booth Madison 5

20 Crossways Park North, Woodbury, NY

Computers and software programs specifically designed for the unique requirements of the paper distributor. Comprehensive applications include telemarketing, order entry, extensive pricing flexibility, invoicing, sales analysis, inventory control, accounts payable, purchase orders, payroll, general ledger. Our systems are designed to increase sales, reduce inventory, improve cash flow, and increase profitability.

Contact: Sam Conti, Branch Manager 212–697–5340

MACK-ALLIED/MACK-CHICAGO CORP.

Booth 125

1–02 26th Avenue, Long Island City, NY 11102

Manufacturers and designers in corrugated board. We have in stock over 100 sizes of mailers featuring, the *Indestructo*, the worlds greatest mailer. We have the capacity to print and die cut in up to four colors. We also design and stock cartons for skin packaging.

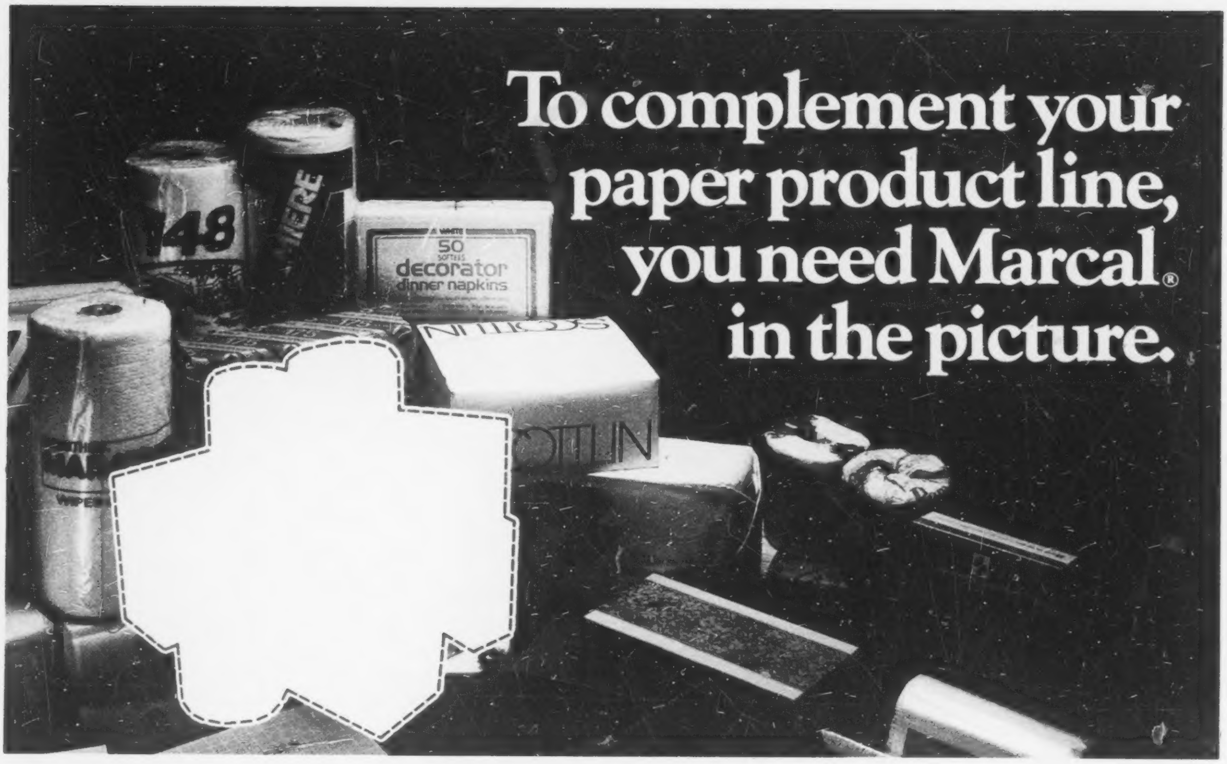
Contact: Rick Hendrickson 718–932–1188

MANUFACTURERS REPRESENTATIVES OF AMERICA

Booth 263

117 Miramar Avenue, Biloxi MS 39530

National trade association of independent sales representatives in paper, plastics, and sani-


To complement your paper product line, you need Marcal® in the picture.

Sure, you have full-line primary-source suppliers for paper products. However, to grow your business and keep your customers satisfied, you need alternative products to offer them. Products that will position you as being concerned about their business and their needs. And products that will satisfy those needs at less cost to your customers and more profits for you.

Here's why Marcal is your best choice:

1. We're committed to keeping Marcal prices lower than primary sources.

2. We're committed to the away-from-home market.

3. We're committed to innovative distributor service for flexibility in meeting your needs.

4. We're committed to innovation in saving you time and money. Marcal Roll Bathroom Tissue and Perforated Roll Towels come exclusively in Polycase® Bundles which:

☐ Take up 22% less space than corrugated boxes.
☐ Take ⅓ the time to load and unload.
☐ Protect against dust and moisture.

5. We're committed to broaden our line to improve your inventory turns.

6. We're committed to fight for your business. Let us show you how Marcal can enhance both your product line and your profit line. Write: Marcal Paper Mills, 1 Market St., Elmwood Park, N.J. 07407. **Or call 1-800-631-8451 for more information.**

MARCALculate your profits with **MARCAL.**

Marcal®

Marcal Paper Mills, Inc., Elmwood Park, N.J. 07407

IT'S NOT AN EMPTY SOCKET.

tary maintenance supplies. Booth will be staffed by association officials who will distribute membership information and answer questions about MRA's current activities and future plans.

Contact: William Bess, Administrative Director 601-374-6537

MARCAL PAPER MILLS, INC.

Booth 219, 220

1 Market Street, Elmwood Park, NJ 07407

Manufacturer of sanitary paper products. These products include assorted types of roll tissue, boxed facial, napkins, wipers annd perforated roll towels. For the away-from-home market our innovative products and packaging concepts make Marcal unique in this marketplace.

Contact: Norman Perrett, National Sales Manager 201-796-4000

MARSH STENCIL MACHINE COMPANY

Booth 137, 138

707 East "B" Street, Belleville, IL 62222

Marsh will exhibit a complete range of packaging, marking, and labeling machinery and materials for industry; stencil machines inks, oilboard, markers, labeling machines, CMP multi-carton addressing systems and carton closure systems: (-tape machines, manual and electric), semi-automatic case sealer.

Contact: Reginald Lovejoy, Exhibit Coordinator 618-234-1122

MARVEL LIGHTING CORPORATION

Booth 451

222 Bridge Plaza South, Fort Lee, NJ 07024

Long life incandescent light bulbs, standard and special color fluorescents, mercury vapors, quartz and high pressure sodium lamps.

Contact: Paul Greenberg, Vice President Sales & Marketing 201-944-2313

MARYLAND PLASTICS, INC.

Booth 304

251 East Central Avenue, Federalsburg, MD 21632

Full line of disposable plastic cutlery. Party and picnic items and foodservice kits.

Contact: George Nicoletos, Sales Manager 301-754-5566

MAYAN CONVERTING, INC.

Booth 446

2000 Post Oak Blvd., Suite 1630, Houston, TX 77056

A complete line of industrial and fine products, Kraft, news, butcher and flower wrapping. Packers news, pipe wrap, pipe pads, furniture and moving blankets, bumper wrap, interleafing, car floor mats, indented paper-(dimple wraps), manilla tag, news print grades, custom slitting and sheeting. Special packaging of your products, sold through distributors only.

Contact: Michael Burke, Manager-Distributor Sales 713-877-1887

MEDICAL DISPOSABLES COMPANY

Booth 271

P.O. Box 1181, Marietta, GA

Disposable incontinent products including liners, adult diapers, underpads, underpad holders, etc.

Contact: Urban G. Mitchell, Vice President/Institutional Division 404-422-3036

Everybody is looking for new business. And Marvel can help you get it from the business you already have. With Marvel long life lamps. After all, don't all of your customers have a need for light bulbs?

At Marvel, we have a full line of lamps to meet all your customers' needs. Incandescents, fluorescents, special colored fluorescents, and more. And Marvel long life lamps aren't ordinary lamps. They cost less, last twice as long, are made in the United States and are sold only through distributors. So you never have to worry about price cuts at the retail level.

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Made in the United States by
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IT'S A NEW BUSINESS OPPORTUNITY.

VISIT US AT: ISSA CONVENTION—BOOTH #1055
NPTA CONVENTION—BOOTH # 451

MIDWEST FILM CORPORATION

Booth 244, 245

6449 North Lincoln Avenue,
Lincolnwood, IL 60645

Paperene hi density merchandise bags, retail store plastic garment bags, low density merchandise bags, (deco bags). Low density reinforced patch handle bags, drawstring and drawtape bags. Also, toy bags available in both hi and low density.

Contact: Jerry Rosenstein, Sales Manager 312–676–3200

MOBIL CHEMICAL COMPANY

Booth 153, 154

1159 Pittsford-Victor Road, Pittsford, NY 14534

Exhibiting plastic foodservice disposables including tableware, foam take-out containers and school lunch/utlity trays. A complete line of institutional/industrial can liners are shown along with several types of pallet stretch films. Foam meat trays, produce bags on–a–roll and plastic grocery sacks with handles are one display.

Contact: Robert J. Sax, Manager Graphics Communication 716–248–5700

MULCO INDUSTRIES, INC.

Booth 431, 432

P.O. Box 1108, Mulberry, FL

Mulco Industries manufactures Harvest design paper cold and hot drink cups and lids, thermoformed plastic cups, plastic portion and juice cups, paper portion cups, conical cups, and pleated water cups. Mulco Industries offers custom print on paper and plastic cups and custom packaging for the institutional and retail markets

Contact: David Goralski Nat. Sales Mgr. 813–425–5531

MUTUAL-PRECISION COMPANY

Booth 414, 415

202 Coffey Street, Brooklyn, NY 11231

Distributors to the trade only of paper, twine and allied products including Paramount kraft & extensible, Wolf Head and Lion Head poly twine, and Pilfer Grid reinforced tape. Master distributors for Jiffy, Sealed Air, and Crowell Corp. products. Full line of wrapping and stuffing tissues, including Carefree in 19 colors.

Contact: Mark Wittcoff, Executive Vice President 718–858–9000

NICE-PAK PRODUCTS, INC.

Booth 106

150 N. MacQuesten Parkway, Mount Vernon, NY 10708

Wet-Nap moist towelettes, stock and custom design packets. Individual foodservice kits for fast food carry-out. Hotel guest room amenities and travel kit products: shampoo, shave cream, after shave lotion/cologne, skin lotion/conditioner, eye make-up remover, nail polish remover, spot remover, instant shoe shine, travel detergent powder, *Tar-Off* beach tar remover, moist towelette, *Ora-Cup*–instant effervescent mouthwash in a cup.

Contact: Robert Flatow, Regional Sales Manager 914–664–7800

NYMAN MANUFACTURING COMPANY

Booth 242, 243

275 Ferris Avenue, East Providence, RI 02916

Complete line of quality paper and plastic single-use foodservice products including: First Choice and Popular Choice impact plastic dinnerware, full line of dinnerware dome covers for carryout service, hot and cold paper cups available in stock, panel and custom designs, Natural Choice translucent cups and cut crystal tumblers.

Contact: Bertrand R. Blais, Marketing Operations Manager 401–438–3410

ODYSSEY PACKAGING, INC.

Booth 254

71 Remington Blvd., Ronkonkoma, NY 11779

Odyssey Packaging Inc. is a new player in the retail packaging arena. Specializing in custom printing annd converting of Patch Handle Bags in quantities of 1000 per size and up. Our quality and service are the same, no matter how large or small your order is.

Contact: Jerry Berns, Vice President, Sales 516–981–4422

OMEGA PLASTICS & SIGMA EXTRUDING

Booth 177, 178

Page & Schuyler Avenues, Lyndhurst, NJ 07071

Manufacturers and extruders of linear low polyethylene products: U Bag Its, Wet Pak, Trash Can Liners, Garment Bags, and Industrial Film.

Contact: Gary Duboff, Vice President 201–933–5353

PEACOCK PRODUCTS

Booth 222, 223

48 Woodbine Street, Bergenfield, NJ 07621

Printed (customized) carton sealing tapes in lightweight and industrial strengths. Customer printing tapes as little as 18 rolls per order in 2" x 55 yards and up. Sales to distributors only.

Contact: Eric Langlset, Vice President 201–385–5585 / 800–221–0275

PIONEER GIFT WRAP

Booth 227

2939 Vail Avenue, Los Angeles, CA 90040

A manufacturer of quality gift wrap with put ups of reams, 1/2 reams, cutter boxes, jeweler's rolls, plain and printed cellophane, and gift packs for executive gift giving—all sold nationally through selected distributors.

Contact: W.B. Murray, Vice President Marketing 213–726–2473

PLASTICS INC.

Booth 241

P.O. Box 64610, St. Paul, MN 55164

A subsidiary of Anchor Hocking, Plastics Inc. is a recognized leader in the design of beverageware, including Sani-Plass® wrapped tumblers, single-service dinnerware, Microproof® and Hi-Heat® oven dinnerware, Gourmet to Go carry-out and fluted Prestige and etched Scrollware™ servingware. Plastics Inc. also custom designs and custom prints beverageware.

Contact: Alex Graye, National Sales Manager 612–227–7371

PLYMOUTH RUBBER COMPANY, INC.

Booth 139

104 Revere Street, Canton, MA 02021

Patriot rubber bands used for bundling, color coding and a variety of packaging functions. These fine products are available in several different forms of unit packaging to meet your customer's requirements.

Contact: John H. Kuhn, National Sales Manager 617–821–1470

POLAR PLASTIC LTD.

Booth 189

4210 Thimens Blvd., St. Laurent, Quebec, Canada H4R2B9

Featuring Polar-XL®, North America's newest line of crystal tumblers, cocktail glasses and dessert dishes. Polar also manufacturers a comprehensive line of quality plastic disposables for the food service industry, including four grades of tableware, Polaronde® impact dinnerware, Polaris® plastic cups, and Polarpac® containers for food take-out and merchandizing applications.

Contact: Seymour Shuster, Director, International Operations 514–331–0207

POLYVINYL FILMS INC.

Booth 172

Depot Street, Wilkinsonville, MA 01590

Manfacturers of flexible PVC film will be exhibiting a full line of foodservice film including cutter boxes and various perf films, as well as meat wrap, laundry wrap and industrial films. Polyvinyl also will be displaying their fine retail item "Stretch-Tite."

Contact: Tom Connor, 617–865–3558

POMCO GRAPHICS INC.

Booth 152

4411 Whitaker Avenue, Philadelphia, PA 19120

Over fifty years, America's paper sampling specialists. Serving the paper industry—mills, merchants, converters, their advertising agencies, art studios. Completely created and manufactured in-house: quality sample books, color selectors, collateral material, advertising and sales promotion. Lithography, letterpress, engraving, leafing, embossing, diecutting, envelope conversion, distribution fulfillment, storage

Contact: Harold Jacobs, President 215–455–9500

PORTION PACKAGING INC.

Booth 181

3 Neshaminy Interplex, Suite 201, Trevose, PA 19047

Manufacturer and supplier of quality printed and unprinted plastic drink cups. Available in a range of sizes from 5–32 oz. drink cups are offered in white, translucent and clear, and are used in the hotel/motel, foodservice, retail and brewery industries.

Contact: Joseph McCormack, Sales and Product Manager 215–245–2997

PRICE BOOKS, INC.

Booth 253

3238 Brotherton Road, Cincinnati, OH 45209

Price Books, Inc. produces price catalogs for the fine paper industry. On display are samples of both merchant and mill catalogs which illustrate various sizes and formats. An outline of our computerized process will be available for your scrutiny, along with samples of our camera-ready copy

Contact: Ted Ballman, Vice President/General Manager 513–871–6711

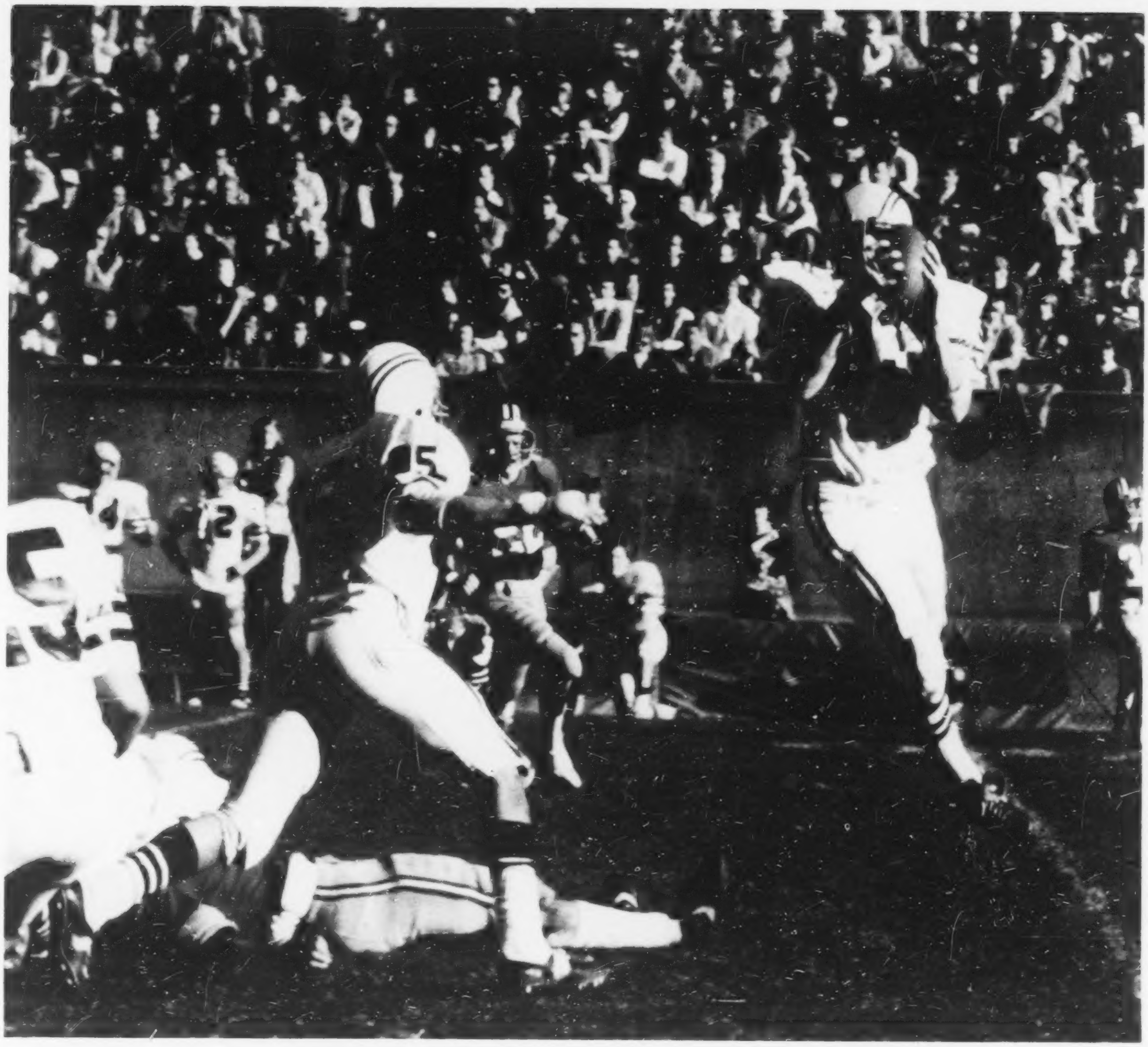
PRIMEPAK

Booth 133

133 Cedar Lane, Teaneck, NJ 07666

A complete line of polyethylene products such as roll produce bags, T-shirt carrier bags, wet pak, garment bags, stretch wrap, merchandise bags, plain and printed bags, shrink pallet covers, furniture covers, mattress bags, handle bags, ice bags, stock poly bags. If it's poly, call us first.

Contact: Tony Bellizzi, Sales Manager 201–836–5060



Our teamwork pays off in winning efforts.

3M makes over a thousand "Scotch" brand tapes and adhesives. You sell them professionally and creatively in the marketplace. It's the perfect teamwork that makes our partnership successful.

As a 3M distributor, you're working with a partner that wants to see your business grow. Our heavy research investment provides you with a steady flow of new, innovative and cost-effective products to sell. Our rigid quality control keeps your customers satisfied.

We want our team to win. That's why we also provide you with strong sales service . . . promotional support . . . selling aids . . . product education . . . application engineering assistance . . . and technical service support.

Sure, we could go on. But, the point we're trying to make is that we're partners. 3M has made a commitment to you . . . our distributors. In turn, we appreciate your support. Because winning is a team effort.

3M hears you . . .

3M

PROFILES INTERNATIONAL INC.

Booth 270

6825 Manhattan Blvd. #500, Fort Worth, TX 76112

Specialists in the areas of personnel evaluation and telemarketing. The Profile Evaluation service is an NPTA–endorsed system that identifies personality traits of successful employees in the paper industry. Extensive research has been performed by Profiles to identify successful traits found within a paper distributorship.

Contact: Anne Bess, Consultant, 817–496–6881

REGAL POLY-PAK

Booth 313, 314

125 Spagnoli Road, Melville, NY 11747

Manufacturers of the most diverse line of plastic packaging in the industry; 20 styles available in 14 poly colors, in gloss and matte inks. Our new 1985 catalog features many new products such as: Shoulder Tote, Econo-Patch and HMHD Die Cut. All will be on display for your inspection.

Contact: Steve Bearman, Administrative Sales Manager 516–293–6767

RELIABLE PLASTICS, INC.

Booth 121

Chimney Rock Road, Bound Brook, NJ 08805

Convertor and manufacturer of foam plastic products, including Perf-Foam® scratchless urethane wrapping material on perforated rolls; Ethafoam polyethylene corners; Pal-Pak® expendable pallets; Temp-Gard® cooler packs; Cubies® the reusable ice cubes; Tem-Pak® insulated shipping containers; pouches and sheets of Microfoam® polypropylene or sealed air Cell-Aire® polyethylene, Edg-Eze expanded polystyrene edge-protectors.

Contact: James L. Wilgus, President 201–469–8686

ROADNET SYSTEMS CORPORATION

Booth Bryant 4

117 Lakefront Drive, Hunt Valley, MD 21030

Roadnet is a computer assisted vehicle routing and scheduling system. Specifically, it is a micro based workstation that uses state-of-the-art algorithmic software to compute least cost delivery sequence and vehicle loading. Roadnet also provides the user with fast, accurate information on each proposed route. Included are listings of each delivery, service time, travel time to the next stop and approximate mileage. The router may review and adjust routes. And when the system has produced a set of routes which the router judges to be satisfactory, he can order printed itineraries for each.

Contact: Rick Branan Vice President, Sales & Marketing 301–666–0399

ROBBIE MANUFACTURING INC.

Booth 306, 307

10810 Mid America Avenue, Lenexa, KS 66219

Perforated to tear packaging films (cling, shrink, and stretch) and related packaging equipment. Printed Supermarket Films including new 2" PromoBands and Adaption Equipment. Other stock printed films; hotel/motel glass covers, stock print bakery designs and holiday designs.

Contact: Tammy Gronberg, Trade Show Coordinator 913–492–3400

ROCHESTER MIDLAND CORPORATION

Booth 116

333 Hollenbeck Street, Rochester, NY 14621

Packages and distributes nationally, Stayfree Napkins, Carefree Panty Shields and Playtex Tampons for vending machine use. Rochester Midland also sells all metal feminine hygiene vending equipment, as well as disposal units and wax paper liners.

Contact: James L. Kerr, Vice President 716–266–2250

ROCKWELL CHEMICAL INC.

Booth Morgan 5, 6

100 Union Avenue, Cresskill, NJ

We produce the quality high molecular weight—high density polyethylene products and specialize in merchandise bags, T-shirt bags and produce bags.

Contact: T. Stark, President 201–569–2509

SANDUSKY PLASTICS, INC.

Booth 213

400 Broadway, Sandusky, OH 44870

Manufacturer of rigid plastic single service food containers used by supermarkets, delicatessens, and salad packers. Available in various colors and packaging options, featuring custom printing and personalized lid embossing.

Contact: Richard M. Burens, Vice President 312–526–0014

SANECK INTERNATIONAL, INC.

Booth Morgan 2

4644 Kenny Road, Columbus, OH 43220

A national supplier of low density and high density polyethylene bags specializing in food service and industrial applications. Serving the United States from 10 regional warehouses located in: Los Angeles, Houston, New Orleans, Chicago, Columbus, Jacksonville, Charleston, Boston, Baltimore, and Philadelphia

Contact: F. Cannon, Jr., Assistant to President 614–459–8357

SAN JAMAR, INC.

Booth 230

700 S. Third Street, P.O. Box 380, Palmyra, WI

Manufacturer of the "Grif-Ho" line of dispensers: locking and non-locking toilet tissue cabinets, interfold tissue unit, towel cabbinets, universal napkin dispensers, complete line of cup and lid dispensers accommodating cup sizes 1/2 oz. to 32 oz. Most of the above available in: baked enamel, chrome, brushed chrome and stainless steel.

Contact: Paul Omdoll, Vice President, Sales/Marketing 414–495–2991

SCIENTIFIC COMPUTERS, INC.

Booth 166

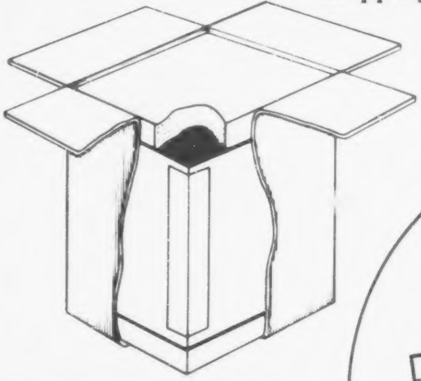
10101 Bren Road East, Minnetonka, MN 55343

Publishing systems for paper merchants. Computer managed data base to drive typesetters or laser printers. On-line maintenance available. Complete on-site printing, binding and mailing services to publish current and cost effective price books or supplements. On-

- PERF-FOAM foam wrap
- PAL-PAK expendable pallets
- EDG-EZE edge protectors
- FLEX-CORNER PE foam corners
- FRAME GUARD mirror protectors
- TEM-PAK insulated cartons
- TEMP-GARD cooler packs
- CUBIES "dry" ice cubes
- FOAM POUCHES plain or anti-static
- MAIL-BAG weather proof mailers

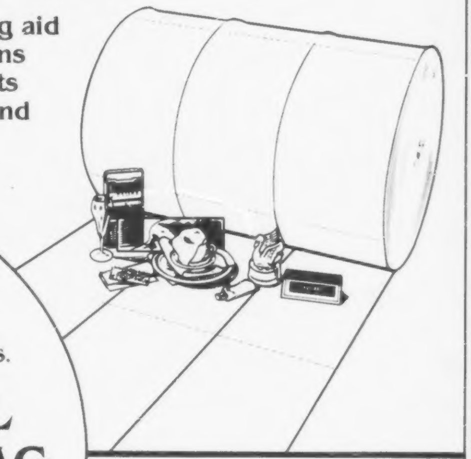
TEM-PAK

Clinically clean, temperature controlled, shipping containers



PERF-FOAM

A packaging aid that cushions and prevents scratches and abrasions



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EDG-EZE

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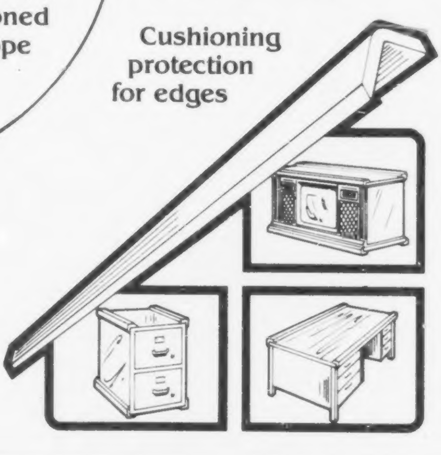

We are seeking distributors throughout the U.S. for our proprietary products. Please call immediately if interested or visit booth 121 at NPTA.

reliable plastics inc.

Chimney Rock Road & Easy Street
Bound Brook, N.J. 08805
201-469-8686

line computer systems for industrial and fine paper distributors.

Contact: Al Pogalz, Marketing Representative 612–933–4200

SCOTT PAPER COMPANY

Booth 439, 440, 441

Scott Plaza One, Philadelphia, PA 19113

Scott Paper Company, with worldwide sales of $2.5 billion, is one of the world's leading manufacturers and marketers of paper products for the in-home and away-from-home (AFH) markets. The company's product philosophy is based on offering the best combination of quality, utility and price to end users. Included in Scott's AFH business are a wide range of paper products for the washroom, wiper and foodservice markets.

Contact: Michael D. Shackelford 215–522–6718

SEALRIGHT COMPANY, INC.

Booth 305

605 West 47th Street, Kansas City, MO 64112

Plastic coated paper Nestyle® containers in 8 oz., 12 oz., 16 oz., 32 oz., and half gallon sizes for: carry-out food containers, hospital specimen cups, fish bait containers, ice buckets, ice cream containers and cookie containers.

Contact: Arlen Kinville, Administrative Sales Manager 315–593–5311

SENTINEL FOAM PRODUCTS (DIV. OF PACKAGING INDUSTRIES GROUP, INC.)

Booth 300

130 North Street, Hyannis, MA 02601

A leading manufacturer of polyethylene foam and bubble internal packaging materials will be displaying the following items: roll stock, extruded plank, rounds and profiles, polylam, bubble and foam shipping bags, sentinel floppy disk shippers; complete line of electro-static-discharge protective packaging and work-station materials. Sentinel will be presenting their new Conference Room Marker/Copier Board and their new Retail Store Wrap & Pack Program.

Contact: Richard P. Giberti, National Sales Manager 617–775–5220

SINGLE SERVICE INSTITUTE

Booth 251

1025 Connecticut Avenue N.W.,
Washington, DC 20036

A 52 year old trade association that protects and promotes the use of foodservice disposables. Members are manufacturers and suppliers of raw materials. Aids distributors of paper and plastic disposables by supplying educational materials relating to member products.

Contact: Joseph W. Bow, Executive Vice President 202–347–0020

SOLO CUP COMPANY

Booth 417, 418

1505 East Main Street, Urbana, IL 61801

Manufacturers of disposable paper and plastic cups, containers, plates, and bowls. Product lines include water cups, cone soda cups, cold and big drink cups, medical cups, popcorn cups and tubs, french fry cups, hot drink cups, portion cups, cozy cups, clear cups, wrapped cups, paper plates, plastic plates and bowls and laminated foam plates and bowls.

Contact: John Beckwith, Corporate Sales Administration Manager 312–831–4800

SONOCO PRODUCTS COMPANY

Booth 129

P.O. Box 160, Hartsville, SC 29550

The largest domestic supplier of HMWPE Polysacks, with manufacturing facilities in Onset, MA and Santa Maria, CA. Comprehensive in-store support is available for conversion to plastic. New products include Produce Rolls and Dry Saks. For additional information conctact Sonoco 800–845–6051.

Contact: Sue L. Harris, Manager Sales Services 803–383–7869

SOUTHEASTERN PLASTICS/SAK ASSOCIATION OF AMERICA

Booth 265

15 Home New Row, New Brunswick, NJ 08901

Plastic grocery saks for supermarkets, garment bags on a roll for apparel industry, garment bags on a roll for retail industry.

Contact: Howard Leitstein, Vice President Sales 201–846–8500

SOUTHERN CHAMPION TRAY COMPANY

Booth 427

Compress Street, Chattanooga, TN 37405

Manufacturer of folding cartons and over 170 stock boxes, delivery in 35 states monthly on company pool trucks. Stock boxes include: bakery, automatic bakery window, donut, pizza (plain and stock print), food trays, patty/meat, popcorn, sausage and stationery. Custom carton manufacturing and printing.

Contact: Dave Deeg, Sales Manager 615–756–5121

SPRINGPRINT PAPER PRODUCTS COMPANY

Booth 412

504 W. Euclid Avenue, P.O. Box 659;
Springfield, OH 45501

Featuring a very broad line of stock and special print placemats, printed one to four colors. Our "Dollarwise" line printed on groundwood stock is also available for the economy minded. Also available are coasters, super-naps, tray-covers and doilies. Our 1985 Holiday line will also be featured.

Contact: Robert E. Brant, Vice President Sales & Marketing 513–324–5633

STANDARD PAPER SOFTWARE MARKETING CORP.

Booth Bryant 1, 2

180 Lyman Street, Springfield, MA 01103

The Standard Paper SP/DP Distributor Package offers the most complete and effective software package for the paper distributor. SP/DP helps a paper distributor buy right, sell smart, and control investment. It helps manage pricing, increase gross trading margins up to 2–1/2% and can help cut inventory by up to 20%.

Contact: Edward L. Mazer, President 413–736–1910

STANDARD PAPER

SP/DP™ DISTRIBUTOR PACKAGE

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GENERAL MANAGER
OF ARROW PAPER
SOMERVILLE, MA

ARCHY PENNA
OWNER
OF ARROW PAPER
SOMERVILLE, MA

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I CARE HOW IT WORKS. It allows me to watch the pricing on ten salesmen. By monitoring price changes and pinpointing shaky pricing levels before invoicing, we have increased our GTM by several percentage points. We get our bills out faster, and close the month on time. Inventory forecasting helps me buy better, turn the inventory faster, and keep slow-moving items to a minimum. All without any in-house programmers or specially trained people.

I DON'T MUCH CARE HOW IT WORKS. I care about what it does. It has given us the tool we never had to control accounts receivable and contain inventory. Three months after we got the Qantel with the Standard Paper package we were out of the bank (for the first time ever), and since then have improved our cash flow by hundreds of thousands of dollars. Any owner can appreciate what that means, especially these days.

THE BOTTOM LINE?

As Robert puts it, "We paid for our Qantel system in less than 12 months with improved profits and efficiencies." With results like that it's easy to see how QANTEL is helping to bridge the generation gap.

STANDARD

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or write:

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Marketing Corp.
180 Lyman Street
Springfield, Mass. 01103

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INDUSTRIAL STRENGTH CLEANER
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ONE GALLON (3.78L)

Superior grease cutting formula ideal for floors and walls.
Janitor In A Drum is America's Industrial Strength Cleaner. Perfect for big, tough jobs like filthy floors–including no-wax, concrete and terrazzo. Great for tile and painted walls. Use diluted or full strength.

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STERLING PAPER COMPANY

Booth 308, 309

2155 E. Castor Avenue, Philadelphia, PA 19134

Boxes: cake, pastry, doughnut, pizza, sausage, steak, cookie, chicken, clothing; Trays: food, doughnut, carry-out, cheese; Pails: food and ice cream; Plates: bulk and packaged.

Contact: Suzanne S. Faigen, Vice President 215–744–5350

STEVENS & THOMPSON PAPER COMPANY

Booth 226

P.O. Box 206, Greenwich, NY 12834

Exhibiting our complete line of industrial bathroom tissues and towels. This will include their Valay Tissue and Buddy Towels. They will also feature a line of resale bathroom tissue and towels featured under their *Softspun* and *downy* labels.

Contact: John J. Meehan, Vice President, Sales 518–692–2211

STROUT PLASTICS, INC.

Booth 206

9611 James Avenue South,
Bloomington, MN 55431

Manufacturers of plain and printed low density polyethylene bags and film, including retail bags, draw-tape bags, die-cut handle bags, wicketed bags, perforated on a roll bags; construction film, institutional waste can liners, printed roll stock.

Contact: Vicki Hodgkinson, Sales Representative 612–881–8673 / 800–328–4556

STRUCTURED COMPUTER SYSTEMS, INC.

Booth 190

17 Talcott Notch Street, Farmington, CT 06032

Paper merchant distribution software Excalibur offers, order entry, inventory control, purchasing, sales analysis, accounts receivable, account payable, general ledger. Special

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Contact: Catherine M. Hoerle, Marketing Coordinator 203-677-0222

SUGAR BEET PRODUCTS COMPANY

Booth 269

302 Waller Street, Saginaw, MI

Manufacturer of complete line of skin care products. Product line includes waterless skin cleansers, protective hand soaps, lotion soaps and skin cleansers, medicated creams and lotion protective creams. Also a complete line of dispensers for these products.

Contact: Robert L. Blasko, Executive Vice President 517-799-4941

SUPERIOR PACKAGING INC.

Booth 191

324 So. Service Road, Melville, NY 11747

We will be exhibiting a full line of retail packaging products, gift, garment, jewelry and millinery boxes, etc. This line is set up to assist the distributor in the retail packaging field.

Contact: Robert J. Lovett, President 516-249-5500

TEXIZE

Booth 452, 453

P.O. Box 368, Greenville, SC

We are well known for its wide range of products—*Texize Spray Cleaner, Janitor In A Drum, Glass Plus, Wood Plus, Pine Power, K2R Spot-Lifter* —that effectively clean surfaces and materials of the modern world. Now, their time-tested performance gives you increased profit opportunities with economical commercial sizes.

Contact: Frances A. Whitten, Office Administrator 803-297-3400

TRINITY PAPER & PLASTICS CORP.

Booth 303

529 5th Avenue, New York, NY 10017

Point of purchase packaging: a. features the widest choice of paper bags and sacks along with the versatile Pull-Bag® Thick-Grip® test the durable triple thick handle, innovative and economical. We ofter the very best in carry-out packaging. b. T-Sacks® available in high/low density polyethylene. Also the Sturdi® retail line of trash bags. With this program, you can make excellent profits!

Contact: William Egan, Marketing Manager 212-687-1200

UNISET, INC.

Booth 448

9 Carlton Street, Wallingford, CT 06492

UniSet, Inc., formerly Oneway Tableware Products, Inc., manufactures "Permaware" flatware and tumblers and "Oneway Products." The Permaware line meets the USDA standards as reusable and offers an alternative to stainless steel and glassware. The Oneway products are medium and heavyweight disposable. This proudct line is full dinner size or luncheon size and is available in stocked colors—blue smoke, white and champagne. Custom colors are also available.

Contact: Phillip S. Dvorak, Sales/Marketing, 203-265-0700.

UNIVERSAL BUSINESS SYSTEMS, INC.

Booth Morgan 1

480 Lincoln Boulevard, Middlesex, NJ

The Paper Distributor System, "FACTS," was specifically designed to handle the unique requirements of the fine and industrial paper distributor. The package is extremely comprehensive. Its special features include direct and warehouse order tracking, ten bracket pricing, substitute products, bill and hold, cutting, pricing conversions, inventory conversions, detailed customer and product sales history, salesman stock inquiry, detail purchase history by product and vendor, automatic pricing, product scan inquiry, report generators and more. Come and see us, you won't be disappointed.

Contact: Christopher Raffo, Vice President, Marketing 201-469-6363

USER FRIENDLY ASSOCIATES, INC.

Booth 262

149 Palo de Oro Drive, Islamorada, FL 33036

User Friendly Associates, Inc. was created to span the identity and operational gap experienced by most user companies in data/computer products acquisition and distribution. U.F.A. holds trademark rights of User Friendly Outfitters and Liberty Bond. James E. Atherton, President has had a twenty-five year career that has spanned all aspects of paper, printing, business forms, packaging and computer products. He has served as a director of N.P.T.A. and International Business Forms Industries.

Contact: James E. Atherton, President 305-852-9722, 305-664-8100

WFR RIBBON CORP.

Booth 221

115 W. 18th Street, New York, NY 10011

Over 200 patterns of the finest quality all fabric ribbons in addition to a spectrum of colors in velvets, satins and laces.

Contact: Laura Leggiero, Product Service Manager 212-924-4675

WE PACKAGE IT

Booth 120

103 W. Bolivar, Sanger, TX 76266

Suppliers of the wholesale trade with small quantity, high quality gift packaging. Sources of product for "We Package It" are both domestic and foreign–including Crystal, Champion, Mid-Cities, Climax, Sample House, Milne Industries, and WPI. "We Package It" hot stamps and prints small quantities of packaging product.

Contact: Carol Evans, Manager 817-458-3310

WEBSTER INDUSTRIES, INC.

Booth 204

58 Pulaski Street, Peabody,, MA 01960

Webster Industries manufactures a variety of quality polyethelene products including: 2 ply can liners, industrial strength–extra heavy can liners, foodservice poly bags, zipper seal bags, lemon scented liners, red tint bags.

Contact: Peggy O'Connor, Sales Manager 800-225-0796 / 617-532-2000

WEBSTER PACKAGING

Booth 203

58 Pulaski Street, Peabody, MA 01960

We are a leading manufacturer of high density and low density retail packaging. This year, Webster is featuring their new Low Density product line which includes "color coordinated" patch handle, merchandise, and garment bags. Webster's new line is easy to sell and will be well received by your customers.

Contact: Roger Boyle, Product Manager 617-532-2000 / 1-800-343-2012.

WHITE MOP WRINGER COMPANY

Booth 224, 225

P.O. Box 277, Fultonville, NY 12072

Manufacturers of floor mopping equipment—plastic and metal buckets and wringers, floor squeegees, plastic and metal mop handles, dust pans, wet mopheads, carts and trucks. Metal waste receptacles—swing top and step-ons, sand urns and wastebaskets. Floor machines and burnishers and wet/dry vacuums.

Contact: Margaret Van Duynhoven, Director of Advertising 518-853-3451

WILKINSON MANUFACTURING COMPANY

Booth 444, 445

12th and Madison, Fort Calhoun, NE

Supplying service and economy with a complete line of aluminum containers for foodservice, restaurant, bakery and catering. Over 200 different stock items, new items, special packaging, dome and foil board combo packs, complete carryout line, school containers, steam tables, bakery containers, compartment trays and CaterServe® catering system.

Contact: Phil Castelnovo, Sales Manager 402-468-5511 Ext. 104

WINCHESTER CARTON CORP., A ROCK TENN CO.

Booth 157

P.O. Box 4098, Norcross, GA 30091

Folding carton products

Contact: Conrad Hill, Manager, Distribution Sales 404-448-2193

YAMAZAKI CORPORATION

Booth 127

Shinsaibashi Plaza Bldg. 3-12-9
Minami-Semba, Minami-Ku, Osaka,
Japan

Various door step mats; mops and wringers; dust-bins.

Contact: Hideaki Yamazaki, Executive Vice President 06-245-3531

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HOUSTON, TX 77227
(713) 827-8191

PRODUCTS BY CATEGORY: A BUYERS GUIDE

BUSINESS PRODUCTS

AT&T Communications	264
Carew Positional Selling Systems, Inc.	249
DataCom, Inc.	430
Plymouth Rubber Company, Inc.	139
Sentinel Foam Products	300

COMPUTER PRODUCTS

C.P.I., Inc.	458
Dynamic Computer Systems, Inc.	149
Fabian Taping Dispenser Corp.	419
Hewlett-Packard Company	425
The Lockwood Association Inc.	179
Price Books, Inc.	253
Roadnet Systems Corporation	Bryant 4
Scientific Computers, Inc.	166
Sentinel Foam Products	300
Standard Paper Software Marketing	Bryant 1
Structured Computer Systems, Inc.	190
Universal Business Systems, Inc.	Morgan 1

FOOD SERVICE

A & E Plastics Inc.	158
ADCO Specialties Inc.	252
AMD Inc.	Morgan 1
Alcan Foil Products	159
Alfred Bleyer & Co., Inc.	259
American Cellophane & Plastic Films	143
Atlantic Mills, Inc.	205
Bagcraft Corp. of America	101
Beach Products	130
Beier & Company	171
Bulman Products, Inc.	155
Candle Corporation of America	400
Cellucap Manufacturing Company	160
Chesapeake Fiber Pkg. Corp.	173
Chicopee	423
Clear Shield National, Inc.	246
Colgate Palmolive Company	449
Comet Products, Inc.	162
Commodore Plastics, Inc.	442
Crown Zellerbach	211
Dart Container Corporation	402
Disposable Products Company, Inc.	131
Douglas Stephen Plastics, Inc.	465
Drackett Products Company	175
Drackett Products Company (Dorex, Inc.)	247
Duni Corporation	436
Ekco Products, Inc.	132
Epco, Inc.	302
The Fonda Group Inc.	238
Fort Howard/Sweetheart	111
Franklin Disposables, Inc.	428
Freeman Paper Company	148
Gallos Plastics Corporation	464
Genpak Corporation/Polytherm Products	315
Handi-Kup Company	310
Heritage Bag Company	433
Imperial Cup Corporation	103
Industrial Fabricators Co., Inc.	409
Inline Plastics Corporation	447
Jet-Plastica Industries, Inc.	146
Kaiser Aluminum	407
Mobil Chemical Company	153
Mulco Industries, Inc.	431
Nice-Pak Products, Inc.	106
Nyman Mfg. Company	242
Plastics Inc.	241
Polar Plastics Ltd.	189
Polyvinyl Films Inc.	172
Portion Packaging Inc.	181
Robbie Manufacturing Inc.	306
Rockwell Chemical Inc.	Morgan 5
Sandusky Plastics, Inc.	213
Saneck International, Inc.	Morgan 2
San Jamar, Inc.	230
Sealright Company, Inc.	305
Single Service Institute	251
Solo Cup Company	417
Southeastern Plastics	265
Southern Champion Tray Company	427
Springprint Paper Products Company	412
Sterling Paper Company	308
UniSet, Inc.	448
Wilkinson Manufacturing Company	444

HEALTH CARE DISPOSABLES

ADCO Specialties Inc.	252
American Cellophane & Plastic Films	143
Armin Corporation	301
Atlantic Mills, Inc.	205
Beier & Company	171
Cellucap Manufacturing Company	160
Chemfirst/Tuffwear Corporation	410
Dart Container Corporation	402
Disposable Products Co., Inc.	131
Douglas Stephen Plastics, Inc.	465
Edet Nederland BV	Bryant 5
Franklin Disposables, Inc.	428
Freeman Paper Company	148
Gallos Plastics Corporation	464
Heritage Bag Company	433
Industrial Fabricators Company, Inc.	409
Jet/Plastica Industries, Inc.	146
Medical Disposables Company	271
Nice-Pak Products, Inc.	106
Portion Packaging Inc.	181
Sugar Beet Products Company	269

INDUSTRIAL PACKAGING

ABM Trading Company	123
APS Packaging Systems	229
Acme Foam Corporation	Madison 2
Alliance Rubber Company	450
Armin Corporation	301
Bagcraft Corp. of America	101
Bedford Industries	122
Beier & Company	171
Better Packages, Inc.	200
Boas Box Company	228
Bulman Products, Inc.	155
Canover Industries Inc.	460
Celloplast USA, Inc.	257
The Crowell Corporation	240
Cyklop Strapping Corporation	255
Fabian Taping Dispenser Corp.	419
Heritage Bag Company	433
I.R. Industries, Inc.	268
K.H. Industrial Sales Company	165
LPS Industries Inc.	168
Laminations Corporation	183
3M/Tape & Allied Products	164
Mack-Allied/Mack-Chicago Corp.	125
Mayan Converting, Inc.	446
Mobil Chemical Company	153
Mutual-Precision Company	414
Peacock Products	222
Plymouth Rubber Company, Inc.	139
Primepak	133
Reliable Plastics, Inc.	121
Robbie Manufacturing Inc.	306
Rockwell Chemical Inc.	Morgan 5
Saneck International, Inc.	Morgan 2
Sentinel Foam Products	300
Strout Plastics, Inc.	206

MATERIAL HANDLING PRODUCTS

Bulman Products, Inc.	155
Econoco Corporation	140
Marsh Stencil Machine Company	137

PRINTING PAPERS

ABM Trading Company	123
Artco Converters	461
Auto-Graphics, Inc.	406
Pomco Graphics Inc.	152
Price Books, Inc.	253

RETAIL PACKAGING

A & E Plastics Inc.	158
APS Packaging Systems	229

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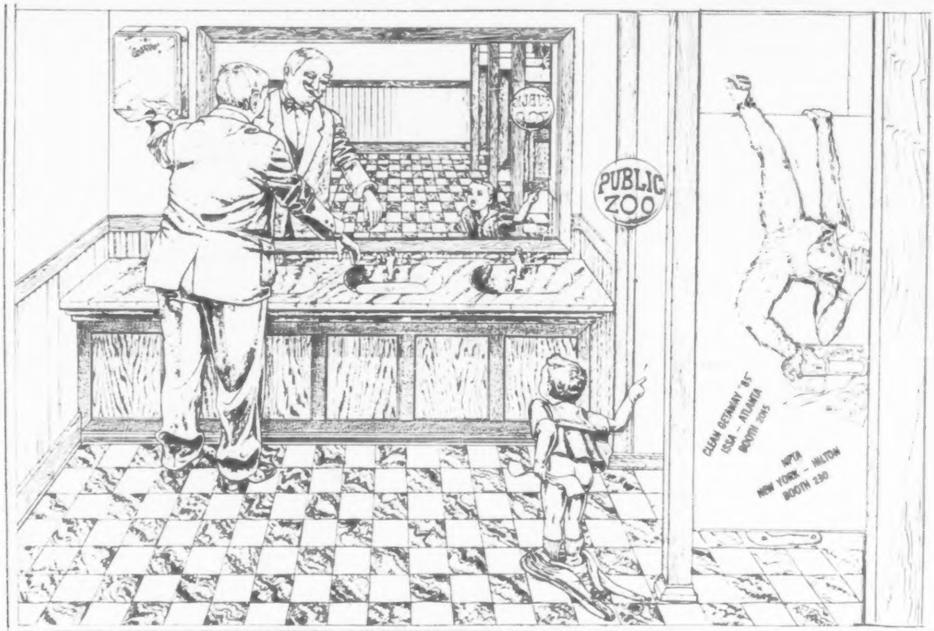
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Amko Plastics Inc.	150
Bagcraft Corp. of America	101
Beier & Company	171
Berwick Industries, Inc.	207
Boas Box Company	228
Bulman Products, Inc.	155
Canover Industries Inc.	460
Catty Corporation	466
Champion International Corporation	420
Chesapeake Fiber Pkg. Corp.	173
Ben Clements & Sons, Inc.	134
Coastline Packaging, Inc.	443
Commodore Plastics, Inc.	442
Continental Extrusion Corporation	231
The Crystal Tissue Company	119
Douglas Stephen Plastics, Inc.	465
Duro Paper Bag Mfg. Company	100
Econoco Corporation	140
Gallos Plastics Corporation	464
Eddie Goodman Company, Inc.	413
Equality/Stribbons	167
Formosa Taffeta Co., Ltd	Madison 6
Genpak Corporation/Polytherm Products	315
R.J. Lachman Inc.	128
Longview Fibre Company	156
3M/Tape & Allied Products	164
Midwest Film Corporation	244
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Plymouth Rubber Company, Inc.	139
Portion Packaging Inc.	181
Primepak	133
Regal Poly-Pak	313
Rockwell Chemical Inc.	Morgan 5
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Atlantic Mills, Inc.	205
Barrier Industries, Inc.	438
Beier & Company	171
Carroll Company	422
Cellucap Manufacturing Company	160
Chicopee	423
Clark Paper Converting Corp.	202
Colgate Palmolive Company	449
Crown Zellerbach	211
Disposable Products Company, Inc.	131
Drackett Products Company (Dorex, Inc.)	247
Eco-Line, Division of Economics Laboratory, Inc.	188
Edet Nederland BV	Bryant 5
EPIC Industries	210
Erving Paper Mills	107
Flitz International, LTD.	405
Fort Howard/Sweetheart	111
Franklin Disposables Inc.	428
General Plastics Corporation	Bryant 3
Go-Jo Industries, Inc.	126
Heritage Bag Company	433
Hospital Speciality Company	124
Industrial Fabricators Company, Inc.	409
Marcal Paper Mills, Inc.	219
Maryland Plastics, Inc.	304
Mobil Chemical Company	153
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Rochester Midland Corporation	116
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Stevens & Thompson Paper Company	226
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Yamazaki Corporation	127

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AT&T Communications	264
Auto-Graphics, Inc.	406
Carew Positional Selling Systems, Inc.	249
Chesapeake Fiber Pkg. Corp.	173
Decker Tape Products Co.	182
Hygrade Lamp Company	467
Manufacturers Representatives of America	263
Marvel Lighting Corporation	451
Profiles International Inc.	270
San Jamar, Inc.	230
Sugar Beet Products Company	269
Southeastern Plastics	265
Trinity Paper & Plastics Corp.	303

OFFICIAL LIST OF HOSPITALITY SUITES AT NPTA CONVENTION

The following list of companies will be hosting Convention attendees at hospitality suites during the NPTA Annual Convention and Exposition. in addition to the company listing the hotel, arrival and departure dates are shown plus their key people.

Details on those exhibitors holding hospitality suites may be found in the Exhibitor section. **All Exhibitors have hospitality suites at the New York Hilton Hotel and their suites will be in operation all Convention days unless otherwise noted.**

A & E Plastics, Inc.
See Exhibitor Listing

Affiliated Paper Companies
P.O. Drawer 31
Tuscaloosa, AL 35402
205-345-4180
Hilton: Fri/Tues
Robert E. Keith, president
Jack L. Mathews, vice president/sales

AGP/Gentech Inc.
531 N. Stiles St.
Linden, NJ 07036
201-925-0900
Hilton: Sat/Tues
Carl Glickman, president
David Perlmutter, chairman

Alcan Foil Products
Sheraton Centre: Fri/Tues
See Exhibitor Listing

American Cellophane & Plastic Films
See Exhibitor Listing

American Paper Conv. Daily
P.O. Drawer 795
Park Ridge, IL 60068
312-823-3145
Sheraton Centre: Fri/Mon
Martha Adams, sales rep
Louise Cowan, editor

American Tissue Co.
185 Price Parkway
Farmingdale, NY 11735
516-732-3000
Hilton: Fri/Mon
Larry Roseman
Jim Begley

Ametek Microfoam Div.
265 Rte 202
Chadds Ford, PA 19317
215-358-1180
Hilton: Fri/Mon
Herman C. Koch
Norris Francis

Amko Plastics Inc.
See Exhibitor Listing

Amoco Foam Products Company
415 Geneva Place
Wheaton, IL 60187
312-665-5337
Hilton: Fri/Tues
Jack Krause
John Giroux
John Finchum

Anchor Industries Inc.
1831 Avenue H
St. Louis, MO 63125
314-544-3900
Hilton: Fri/Tues
C. W. Cassidy, president
Gary J. Scherer, vice president-sales

Appelton Papers Inc.
P.O. Box 359
Appleton, WI 54912
414-735-8760
Sheraton Centre: Sat/Tues
John Turner, president
Dan McIntosh, vice president marketing

Aussedat Rey
B.P. 05
78140 Velizy Villacoublay
France
630-21-55
Hilton: Fri/Tues
Marc LeClerc
C. DePoly

Bagcraft Corporation of America
See Exhibitor Listing

Bay West Paper Co.
P.O. Box 10568
Green Bay, WI 54307
414-494-8731
Hilton: Fri/Tues
Jack Broeren, vice president & general manager
Michael Wildenberg, vice president of sales & marketing

Berwick Industries, Inc.
See Exhibitor Listing

Boise Cascade Paper Group
1510 Lunt Avenue
Elk Grove Village, IL 60007
312-439-4414
Sheraton Centre: Sat/Tues
Graham L. Covington
Thomas A. Drouin

Boise Cascade-Missisquoi Products Div.
1455 Broad Street
Bloomfield, NJ 07003
201-338-0380
Sheraton: Sat/Tues
John Murphy
John Klug

Boxit Corp.
5555 Walworth Avenue
Cleveland, OH 44102
216-631-6900
Warwick: Fri/Tues
Harvey Weisman, president
Don Andre, sales/marketing manager

Brown Paper Goods Company
P.O. Box 128
Libertyville, IL 60048
312-362-1450

Warwick: Fri/Mon
Allen Mons, president
Peter Luthy, sales manager

Capital Consolidated Inc.
P.O. Box 1981
Indianapolis, IN 46206
317-898-2320
Hilton: Sat/Mon
Jim VonDeylen, midwest region manager
Bob Bogan, Evansville branch manager

Carew Positional Selling
See Exhibitor Listing

Carpenter Paper Co.
815 Harney
Omaha, NE 68102
402-341-0266
Warwick: Sun/Tues
Robert Byrne
K. D. Summers

Carson Collection
1341 West Broad Street
Stratford, CT 06497
203-378-0123
Sheraton: Sat/Mon
Ernest Paqliaro, Jr.

Central Paper Co.
P.O. Box 330
Menasha, WI 54952
414-725-4335
Sheraton Centre: Fri/Tues
John R. Powers, president
Raymond R. Vales, director of sales

Clear Shield National
See Exhibitor Listing

Climax Mfg. Co.
Climax Street
Castorland, NY 13620
315-493-3390
Warwick: Sat/Tues
J.D. LaPlant, marketing manager
S. Horwitz, vice president sales

Comet Products Inc.
See Exhibitor Listing

Computer Systems Design
3505 Ellicott Mills Dr.
Ellicott City, MD 21043
301-461-2411
Sheraton: Sun/Mon
James J. McCusker
J. Slough

Consolidated Papers Inc.
Suite 3600
200 West Madison Street
Chicago, IL 60606
312-781-0200
Sheraton Centre: Sat/Tues
L. H. Boling, president
P. A. Hanson, national merchants sales manager

Consumer Plastics Corp.
625 W. Columbian Blvd.
Litchfield, IL 62056
217-324-3921
Sheraton: Fri/Mon
Terry Bowen

Coral Paper Co.
3500 NW 125th Street
Miami, FL 33167
305-685-5954
Sheraton: Sun/Tues
Roberta Perez, vice president
Pedrom Ramirez, vice president
Manuel Castro

Crowell Corp., The
See Exhibitor Listing

Crown Zellerbach Corp.
See Exhibitor Listing

Crown Zellerbach Corp.
9233 Ward Parkway Ste 375
Kansas City, MO 64114-3333
816-444-4400
Hilton: Fri/Tues
John P. Kilty, general manager
Tom Stamnes, general sales manager

Crystal Tissue Company, The
See Exhibitor Listing

Dart Container Company
See Exhibitor Listing

Delta Paper Company
4272 Wissahickon Avenue
Philadelphia, PA 19129
215-226-6700
Hilton: Fri/Tues
William Bregman, President
Arnold Marinelli, general sales manager

Dixie Bag Co.
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404-997-4555
Hilton: Fri/Tues
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Dixie Marathon
P.O. 6000
Norwalk, CT 06856
203-854-2365
Hilton: Sat/Wed
Cecile Crow, director, sales development
Jim Fish, director, Dixie/Marathon distributor sales

Domtar Industries Inc.
600 Summer Street
Stamford, CT 06901
203-359-1160
Hilton: Sat/Tues
Joseph L. Potvin, marketing manager
W. E. Kemmett
P. J. Beichert

Druth Packaging Co.
73-33 Woodhaven Blvd.
Glendale, NY 11385
718-897-8000
Hilton: Sat/Tues
Ron Stec, chairman of the board
Angelo Minotis, president

Dubin Paper Co.
1910 S. Delaware Ave.
Philadelphia, PA 19148
215-462-7900
Sheraton: Fri/Mon
Burton Dubin

Duro Paper Bag Mfg. Company
See Exhibitor Listing

Eastern Bag & Paper Co.
459 Iranistan Ave.
Bridgeport, CT 06604
203-334-4111
Hilton: Sat/Mon
Mrs. Louise Baum

Eastern Fine Paper Inc.
P.O. Box 129
Brewer, ME 04412
207-989-7070
Hilton: Fri/Tues
Bruce B. Hamilton, president
Jackson A. Libby, vice president sales

Ekco Products Inc.
See Exhibitor Listing

Erving Paper Mills
See Exhibitor Listing

Finch Pruyn & Company Inc.
One Glen St
Glen Falls, NY 12801
518-793-2541
Warwick: Sun/Tues
John R. Buchanan, vice president, sales
Joseph J. Tonello, field sales manager

Flower City Tissue Mills Co.
P.O. Box 13497
Rochester, NY 14613-0497
716-458-9200
Hilton: Sat/Wed
William Shafer, III, president
Leonard Myers, treasurer

Form Fit Plastics
100 Pleasant Street
Dracut, MA 01826
617-957-2943
Sheraton: Fri/Tues
Mr. David Thrope, national sales manager
Lee Bishoff, general manager

Formosa Taffeta Co. Ltd.
Sheraton: Fri/Mon
See Exhibitor Listing

Fort Howard Paper Company
See Exhibitor Listing

Fortune Plastics
P.O. Box 637
Old Saybrook, CT 06415
203-388-3426
Hilton: Fri/Mon
William E. Tucker, president
William E. Tucker, Jr. sales manager

Fox River Paper Co.
P.O. Box 2215
Appleton, WI 54913
414-733-7341
Hilton: Sat/Tues
Oakie L. Sallee, vice president, sales & marketing
Patricia A. Wier, vice president, marketing

Franklin Disposables
See Exhibitor Listing

Fraser Paper Ltd.
P.O. Box 10055
Stamford, CT 06904
203-359-2544
Sheraton: Sun/Tues
Leo Berinati
Tom Gerard

S. Freedman & Sons Inc.
3322 Pennsy Drive
Landover, MD 20785
301-322-5000

Hilton: Sat/Tues
Herbert F. Sacks
Mark Freedman

Freeman Paper Co.
See Exhibitor Listing

French Paper Company
P.O. Box 398
Niles, MI 49120
616-683-1100
Warwick: Sat/Tues
J. E. French, chairman & c.e.o.
Bruce R. Bigford, president

General Plastics Corp.
See Exhibitor Listing

Georgia-Pacific Corp.
320 Post Road
Darien, CT 06820
203-655-1100
Hilton: Sat/Tues
A. E. (Bud) Ericksen, division manager
Bob Carter, director of sales

Gilman Paper Co.
One Blue Hill Plaza
Pearl River, NY 10965
914-735-2320
Sheraton Centre: Sat/Tues
Richard P. Haggerty, executive vice president
Kenneth Haggerty, vice president

P. H. Glatfelter Co.
99 Morris Avenue
Springfield, NJ 07081
201-467-2933
Sheraton Centre: Sun/Wed
Robert H. Boyer, vice president, sales
Edward J. Gillis, general sales manager

G. B. Goldman Paper Co.
2201 E. Allegheny Avenue
Philadelphia, PA 19134
215-423-8600
Hilton: Fri/Tues
Mervyn M. Golder, president
Robert B. Golder, executive vice president

Hammermill Papers Group
East Lake Road
Erie, PA 16533
814-456-8811
Sheraton Centre: Sat/Tues
Peter G. Volanakis, president-Hammermill group
Robert F. Meyer, executive vice president

Handi-Kup Company
See Exhibitor Listing

Handy Wacks Corp.
P.O. Box 26
Sparta, MI 49345
616-887-8268
Hilton: Fri/Wed
H. B. "Hank" Fairchild III, president
Marcia J. Fairchild, executive vice president

Harcourt Brace Jovanovich Pub.
747 Third Avenue
New York, NY 10017
212-418-4146
Hilton: Fri/Tues
Diane Fairbanks, production manager
Geri Brownstein, midwest rep.

Heritage Bag Co.
Sheraton: Fri/Tues
See Exhibitor Listing

Hilex Poly Company
6049 East Slauson Ave.
Los Angeles, CA 90040
213-726-0909
Hilton: Fri/Tues
Sheldon Kritzer, executive vice president

Himolene Sales Company
Suite 280
23440 Hawthorne Blvd.
Torrance, CA 90505
213-373-0384
Hilton: Fri/Tues
Mark E. Daniels, president
Frank J. DeAgostine, vice president

Hoffmaster Company Inc.
2920 North Main Street
Oshkosh, WI 54901
414-235-9330
Hilton: Fri/Tues
T. J. Hoffmaster, president
David A. Sweeterman, sr. vp, sales/marketing

Holland Mfg. Company
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Succasunna, NJ 07876
201-584-8141
Sheraton Centre: Fri/Tues
Jack W. Holland, president
John A. Holland, executive vice president

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CHAIRMAN'S CORNER

"CABBAGES AND KINGS"

"The time has come," the walrus said, "to speak of many things." My term as Chairman comes to an end during this Convention, but I'll not bore you with a recitation of the Association's accomplishments this past year. Suffice it to say that the size of this issue of MN tells you that progress is being made. For the first time ever, we ran out of booth space and had to turn down some companies wanting to exhibit.

We have changed the Convention format somewhat in response to your input. The Chairman's Luncheon was moved from Tuesday back to Monday so it wouldn't be on the breakup day. The General Business Session, in turn, was moved to Sunday at 10:00 a.m. John McDevitt, chief economist for 3M, and George Plimpton, "The Paper Tiger," will speak.

At the Chairman's Luncheon on Monday, we will honor this year's Stanley O. Styles Award recipient, Al Duval of Hammermill, and listen to Dr. Henry Kissinger.

A Blue-Ribbon Committee is being formed by NPTA to study further our Convention format and to make recommendations to our Board of Directors for any further changes that you the membership suggest would improve and enhance your Convention attendance. If any of you have suggestions to make, we invite you to write us a note, call us up, or buttonhole us. All the directors and staff members welcome this.

My last appearance in this column must include a sincere thank you to all the committee members, directors, and staff members who work so very hard to keep NPTA a vital forum for our industry. The next year I continue on the Executive Committee and then, after ten enjoyable years as committee member, Director, and Officer, I am off to the "wax works."

1986 will see the NPTA Convention in Boston. The Boston Paper Trade Association was founded in 1886, making it the oldest continuing trade organization in the paper industry. We are delighted that our Convention will highlight their Centennial celebration. As a Bostonian, I'm particularly pleased that you will be coming to New England. Many of you have told me it will be your first trip or your spouse's first trip, and that you plan to take some vacation days and do some exploring.

Frank J. Viegas, NPTA Chairman

Industrial Fabricators Co Inc
See Exhibitor Listing

Inline Plastics Corp.
See Exhibitor Listing

International Stemware Co.
20520 Charlton Square
Southfield, MI 48076
416-676-9321
Sheraton: Sat/Mon
Frank Singer
Klaus Tautrims

IPAC
150 No. Santa Anita Ave.
Arcadia, CA 91006
818-445-2858
Warwick: Sat/Tues
R. D. Liska
M. F. de la Cuesta

IVEX Corp.
2222 Post Oak #402
Houston, TX 77056
713-961-4062
Sheraton: Sat/Tues
Lee F. McGuiness, vice president merchant sales
Jim McCarty, president
Larry Austin, product manager health care & food service

James River Corp.
2 University Plaza
Hackensack, NJ 07601
201-487-6400
Warwick: Sat/Tues
Steve Parker, vice president, general manager
Denzel Hankinson, vice president sales

James River Corp.
2 University Plaza
Hackensack, NJ 07601
201-487-6400
Warwick: Sat/Tues
Eugene Coder

James River Corp.-KVP Group
100 Island Avenue
Parchment, MI 49004
616-384-6251
Hilton: Fri/Tues
Louis McGuire

Jet/Plastica Industries, Inc.
See Exhibitor Listing

Jiffy Packaging
560 Central Avenue
Murray Hill, NJ 07974
201-665-2200
Hilton: Sat/Tues
Ingvar Tornberg, CEO
John Boyne, president
Dale Wormwood, executive vice president

Kaiser Aluminum Co.
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Karolton Envelope
1400 Holcomb Bridge Road
Roswell, GA 30076
404-587-8739
Sheraton: Fri/Tues
Bruce Nolop, president
John Werth, gen. sls. mgr.

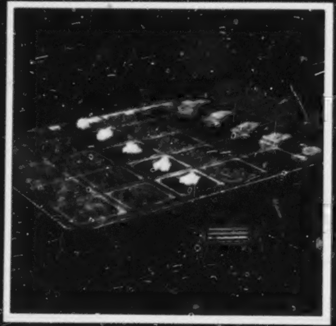
Kieffer Paper Mills Inc.
1220 West Spring Street
Brownstown, IN 47220
812-358-4150
Hilton: Sat/Mon
Bob Tulledge, vice president, sales
Dave Vannatta, field sales manager

Kimberly Clark Corp.
1400 Holcomb Bridge Road
Roswell, GA 30076
404-587-8532
Hilton: Fri/Tues
G. A. Zins, president
R. L. Renz, general sales manager

Kimberly Clark Corp.
1400 Holcomb Bridge Rd.
Roswell, GA 30076
404-587-8681
Sheraton Centre: Sat/Tues
Donald B. Cox

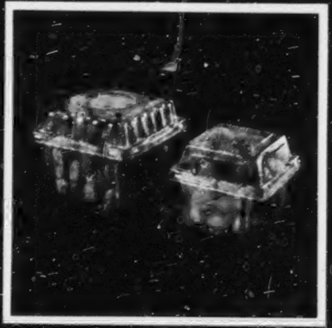
Leader Cards, Inc.
935 South 5th Avenue
Milwaukee, WI 53204
414-645-5760
Hilton: Sat/Tues
Scott Wilke, vice president
Mel Wasco, sales manager

The secrets to the success of IVEX



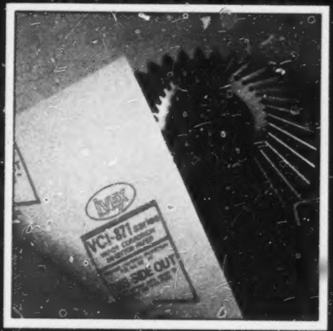
Offer vs Serve

Single face corrugated

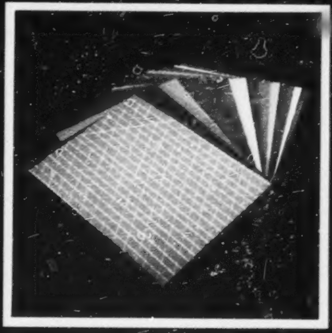


Fresh-Pak pt. and qt.

Fresh-Pak Deli



VCI papers



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LPS Industries, Inc
See Exhibitor Listing

3M Company
See Exhibitor Listing

Mactac
4560 Darrow Road
Stow, OH 44224
216-688-1111
Hilton: Sat/Tues
Blake Hooper, chairman-CEO
Robert Minarik, president

Marcal Paper Mills, Inc
Warwick: Sat/Tues
See Exhibitor Listing

Maryland Plastics, Inc.
See Exhibitor Listing

Mobil Chemical Company Plastic Packaging Division
See Exhibitor Listing

D. F. Munroe Company
351 Middlesex Avenue
Wilmington, MA 01887
617-944-4750
Hilton: Sun/Tues
David F. Blackman, chairman of the board
Arthur W. Anderson, president

Nashua Corp
44 Franklin Street
Nashua, NH 03061
603-880-2323
Sheraton: Sat/Tues
John Barnes, vice president
Donald Hunter, general manager

National Alliance Distributing Co.
205 No. 6th Street
Saddle Brook, NJ 07662
201-845-6464
Hilton: Fri/Mon
Albert R. Lasher, president

National Poly Products Co.
P.O. Box 1180
Mankato, MN 56001
612-560-8370
Sheraton: Fri/Mon
Neil Smeaton, sales manager
John Stenger, production manager

Nekoosa Papers Inc.
100 Wisconsin River Drive
Port Edwards, WI 54469
715-887-5052
Sheraton: Sun/Tues
Richard Weymouth, vice president marketing
James G. Crump, President
J. DuPree, sales manager

Newton Falls Paper Mills
P.O. Box 253
Newton Falls, NY 13666
315-848-3321
Hilton: Sun/Tues
John Foley
Ronald Miller

New York/National Envelope Co.
29-10 Hunters Point Avenue
Long Island City, NY 1101
718-786-0300
Hilton: Sat/Tues
Stanley W. Carpenter, vice president marketing
E. J. Butler, sales representative

Niagara Envelope Co., Inc.
701 Seneca Street
Buffalo, NY 14210
716-854-8251
Sheraton Centre: Sat/Tues
Frederick S. Pierce (Buffalo), president
Frederick G. Pierce, II (Chicago), general manager

Nyman Manufacturing Co.
See Exhibitor Listing

Paper & Twine Journal
540 Ocean Parkway
Brooklyn, NY 11218
718-435-4545
Hilton: Fri/Mon
Ethel Spevack
Donald Sandler

Paper Manufacturers Company
9800 Bustleton Avenue
Philadelphia, PA 19115
215-673-4500
Hilton: Sun/Tues
Donald F. O'Neill, president
William J. Fecht, vice president

Penntech Papers Inc.
3 Barker Avenue
White Plains, NY 10601
914-997-1600
Hilton: Fri/Tues
M. J. Dodge, vice president marketing
Don Mercker, New York merchant sales

Pentair Inc.
310 Madison Avenue
New York, NY 10017
212-599-1164
Sheraton Centre: Sat/Tues
D. E. Nugent, president & CEO
S. A. Johnson, executive vice president

Pioneer Gift Wrap
See Exhibitor Listing

Plainwell Paper Co.
200 Allegan Street
Plainwell, MI 49080
616-685-5851
Sheraton: Sat/Tues
Donald Ulsh

Polar Plastics, Ltd.
See Exhibitor Listing

Polyvinyl Films
See Exhibitor Listing

Portion Packaging Inc.
See Exhibitor Listing

Potlatch Corp. NWPD
35 Mason Street
Greenwich, CT 06830
203-622-1297
Hilton: Sat/Tues
Edwin F. Erickson, vice president
Patrick R. Norha, division vice president marketing

Potsdam Paper Mills
P.O. Box 19100
Green Bay, WI 54307-9100
414-494-3448
Sheraton: Sat/Tues
Harold J. Bergman, executive vice president
William G. Woltjen, general sales manager

Presto Adhesive Paper Co.
10400 Danner Drive
Streetsboro, OH 44240
216-562-8555
Sheraton: Sat/Tues
Karen R. Peters, divisional vice president marketing/sales
George Kramer, manufacturing representative

Jack Wilson, manufacturing
representative

Primepak Company
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Professions Unlimited, Inc.
10999 Reed Hartman Hwy.
Cincinnati, OH 45242
513-793-5531
Hilton: Fri/Tues
Carl Coco
Phil Gross
Chris Massey

Regal Poly-Pak
See Exhibitor List

Ris Paper Co.
1225 Franklin Ave
Ste 280
Garden City, NY 11530
516-742-2424
Warwick: Sat/Tues
B. W. Krieger
F. Lombino
T. Walden

Rising Paper Company
Park Street
Housatonic, MA 02136
413-274-3345
Sheraton: Sat/Tues
Peter Della Luna, president

Rixie Paper Products
P.O. Box 155
Stowe, PA 19464
215-323-9220
Hilton: Fri/Mon
Harold Krasnick, president
Gregory Krasnick, vice president sales

Robbie Manufacturing Co.
See Exhibitor Listing

Royal Paper Products Co.
P.O. Box 151
Coatesville, PA 19320
215-384-3400
Hilton: Sat/Tues
Kurt Strauss, chairman of the board
Barry Milberg, president

S. B. Schmidt Paper Co.
1020 E. 146th Street
Burnsville, MD 55337
612-431-6336
Sheraton: Sat/Tues
Stan Schmidt, president
Dan Colvin, vice president
Scott Forsberg, account mgr.

Scientific Computers, Inc.
See Exhibitor Listing

Scott Paper Company
See Exhibitor Listing

Sentinel Foam Products
See Exhibitor Listing

Shuford Mills Inc.
Tape Division
P.O. Box 1530
Hickory, NC 28603
704-322-2700
Hilton: Sat/Mon
Glenn Hilton, vice president & general manager
Dave Taylor, vice president sales & marketing

Sidco Paper Co.
499 East Tioga St.
Philadelphia, PA 19134
215-426-9500
Sheraton: Sat/Tues
Herbert Barnett
Richard Fried

Sierra Sales Company
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Simon Miller Sales
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Philadelphia, PA 19107
215-923-3600
Hilton: Sat/Tues
Henri Levitt
Joseph Levitt

Solo Cup Company
See Exhibitor Listing

Star Forms Inc.
P.O. Box 8801
Moline, IL 61265
309-797-1389
Hilton: Sat/Tues
Jan Maczuba, vice president/sales
Craig Kessler, national accounts sales manager

Sterling Paper Co.
See Exhibitor Listing

Stevens & Thompson Paper Co.
See Exhibitor Listing

Sugar Beet Products Co.
See Exhibitor Listing

Sweetheart Div. Ft. Howard
See Exhibitor Listing

Tape Inc.
P.O. Box 11067
Green Bay, WI 54307
414-499-0601
Hilton: Fri/Tues
Rod DeSpirito, president
Del Connors, senior vice president

Teledyne Sterling Hunt
P.O. Box 157
So. Dartmouth, MA 02748
617-999-4446
Hilton: Fri/Mon
Steven D. Romsey, vice president
John M. Byrne, eastern divisional sales manager

Texize
See Exhibitor Listing

Tuck Tape Inc.
One Lefevre Lane
New Rochelle, NY 10801
914-235-1000
Hilton: Sat/Mon
Austin Iodice, president
Dave Krassner, vice president industrial products

The United Group
3 Bancroft Circle
P.O. Box 4783
Monroe, LA 71211
318-387-9676
Hilton: Fri/Tues
James R. Gardner, president
Susan G. Vinson, executive vice president

United Paper Company
P.O. Box 399
Sturgis, MI 49091
616-651-2337
Sheraton: Fri/Tues
Terry Mildenberg, president
Charlie Schmidt, sales manager

United Plastic Products
109 N. Duncan Road
Champaign, IL 61821
1-217-359-5400
Hilton: Sat/Tues
Robert Smith, vice president sales & marketing
Zella Rebmann, sales manager

User Friendly Associates Inc.
See Exhibitor Listing

Walden-Mott Corp.
475 Kinderkamack Road
Oradell, NJ 07649
201-261-2630
Hilton: Fri/Tues
Alfred Walden
Charles Walden

Webster Industries Inc.
See Exhibitor Listing

Webster Packaging
See Exhibitor Listing

Wilkinson Manufacturing Co.
See Exhibitor Listing

Williamhouse Sales Corp.
28 West 23rd Street
New York, NY 10010
212-581-2000
Sheraton Centre: Sat/Tues
Saul Olzman, chairman of the board (Williamshouse-Regency, Inc.)
Norman Hamer, president (Williamshouse Sales)

Wisconsin Tissue Mills
P.O. Box 489
Menasha, WI 54952
414-725-7031
Hilton: Fri/Mon
George Mueller, president
Sal Cianciola, executive vice president

Y-Not Better Papers
P.O. Box 400669
Dallas, TX 75240
214-233-1832
Hilton: Fri/Tues
Dan Creson, Sr.
Dan Creson, Jr.

LAST MINUTE ADDITIONS

Admiral Folding Box Co.
102 Pleasant Valley St.
Methuen, MA 01844
617-685-0333
Hilton: Sat/Mon
Sidney R. Feinstein
James Goldman

Duni Corporation
See Exhibitor Listing

Genpak Corp.
Sheraton: Fri/Mon
See Exhibitor Listing

Gordon Paper Co.
494 So. Riverview Dr.
Totowa, NJ 07512
201-785-4404
Sheraton: Sat/Mon
D. Gordon
T. Gordon

Guest Supply Inc.
720 U.S. Highway #1
No. Brunswick, NJ 08902
201-246-3011
Sheraton: Fri/Tues.
George Beier
R. Todd

Imperial Cup Company
Sheraton: Sat/Mon
See Exhibitor Listing

Leykam-Murztaler Paper Mills
Landsberger Strasse 80
4300 Essen-Kettwig
Germany
Sheraton: Sat/Tues
Dr. Dieter Classen

Proctecto Inc.
20470 Walnut Drive
Walnut, CA 91789
800-421-3443
Sheraton: Sat/Tues
Gene Willoughby
D. Stucker

Sealed Air Corp.
Old Sherman Turnpike
Danbury, CT 06810
203-792-2360
Hilton: Sat/Mon
Sheraton: Sat/Mon
Jim Mix

try groups have felt strongly that a different legislative strategy would have a better opportunity for success, states PIA.

It should be noted that any extension of the Manufacturing Clause will be an uphill battle, reports PIA. The opponents of the Manufacturing Clause continue to have the same opposition as existed in 1981 and 1982. Likewise the Reagan administration is once again expected to oppose continuation of the Manufacturing Clause. These obstacles combined with the overall difficulty of having any legislation passed in Congress put the odds heavily against continuation of the Clause, PIA reported.

INDUSTRIAL PAPER

CONSUMERS WILLING TO TRADE MONEY FOR TIME

In the realm of convenience packaging and fast food, the thinking on the part of marketers is that the public is becoming more willing to shell out a few extra cents to save time. According to a report in a recent issue of the *Wall Street Journal*, it was reported that consumers are willing to pay extra for anything that helps them "get control of their lives."

What is easier...is best. Or, at least that is the current thinking. Paying premiums for easy to use products is perferrable these days, reports the *Journal*. Working women "object to spending more than 30 minutes preparing a meal" says the Good Housekeeping Institute.

The accent is on ease and speed. With the growth of fast food outlets (and the *Journal* says that only 30% of all meals are cooked at home for the whole family anyway), preparing "fast food" at home is becoming more commonplace. Microwave ovens, brown-and-serve, frozen this-and-that, pre-mixed, pre-measured, pour-and-bake, etc., etc. are all calling attention to the food service disposables market.

More disposables are finding their way into America's kitchens. At first, they arrived only in the form of take-out hamberger bags, fried chicken boxes and chinese food cartons. Back yard barbecues gave greater acceptance to paper disposables and their use around the house. Now, attractive paper and plastic food containers, drink ware and utensils are in homes around the country and marketers feel they are there to stay.

SAVE WATER—USE DISPOSABLES

A program to save water by using disposables was the subject of a recent feature on Cable News Network (CNN). New York City's Federal Building switched from using permanent ware to disposables in its cafeteria as a result of a continuing water shortage, report the Single Service Institute (SSI).

The building is the second largest federal office building in the world, with approximately 15,000 people. The cafeteria serves over 3,000 meals each day. A spokesman for the building reported that city water was also being saved by using bottled water rather than city water for coffee, tea, and water service.

The city's Department of Environmental Protection will be using the SSI brochure "Water—Here's A Way To Save It" as part of its water conservation education program. 44,000 brochures have been ordered for distribution to businesses and institutions.

A Stage 3 Drought Emergency was declared in New York City on July 10. Among the restrictions for businesses are the requirements to reduce water for central air conditioning, to cool buildings no lower than 78 degrees Farenheit. Reservoirs that supply New York City are at 53%, compared to a normal 90%.

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NPTA OFFERS TWO NEW INSURANCE PROGRAMS

An eruption of tremendous burdens on industry in the area of product liability insurance, coupled with overnight rate increases of as much as 1,000% for business, prompted the National Association of Wholesaler-Distributors (NAW) to take action the result of which now enables NPTA in cooperation with NAW, to offer its distributor members an extremely competitive program of business insurance.

NAW turned its attention early on to the problems of product liability insurance in the marketplace. Back in the early 1960's, NAW saw a breakdown occur in communications between buyers and insurers. Rate classifications by the Insurance Services Office (ISO), an organization sponsored by the insurance industry, became outdated, but little was done to correct the problem.

Tensions mounted during the product liability "crisis" of the mid–1970's, as a growing concern for consumer safety shook the insurance industry and hit business with skyrocketing liability premiums. Even though distributors' loss experience as an industry remained stable, their premiums soared.

All of this came to the national attention in Washington, DC, of the NAW, which reasoned that perhaps by banding together with its member associations and the Product Liability Task Force, something might be done to halt this unfair pricing.

The current NAW program of property/liability insurance being offered to NPTA's distributor members is made possible because of a law Congress passed in 1981. The driving force behind this legislation was the NAW and its member associations.

The law, known as the Risk Retention Act, makes it easier for distributors to participate in premium/loss services. It permits them to buy comprehensive general liability coverage—including product liability—on a group basis. Product liability is built into the program. Thus many of the uncertainties and cyclical swings in availability and pricing have been eliminated.

Currently, 93 trade associations participate in the program using independent insurance agents. The program is designed for freedom of choice and counts on the knowledgeable help of a local insurance agent who can assist in making the right decisions based on training and experience.

The coverages and services of the program are marketed to members of NAW and its affiliated associations, such as the NPTA, by agents associated with MarketDyne International, a CIGNA company. MarketDyne has a highly trained sales force of more than 250 independent agents throughout the country.

NPTA members may also ask their current agent or broker to obtain information or secure coverage for them from the Insurance Company of North America (INA), a CIGNA company that is responsible for underwriting the NAW Property/Liability Program.

Either way, the agent selected can offer a complete insurance package, competitively priced and with the realistic goal of lowering NPTA distributors' insurance costs.

NPTA distributors obtaining business insurance on this purchasing group basis are entitled to the following benefits.

Broad Coverage At Competitive Prices

A prime advantage of the program is the unique Wholesaler-Distributor Package Policy that provides specially tailored, first-class protection.

Packaging helps eliminate gaps in coverage and reduces cost through greater efficiency. A purchasing group enables the insurance company to look at a large number of similar businesses at one time. And that may result in further economies and better pricing.

Cash Dividend Opportunities

By joining with other distributor members in this Association sponsored program, premiums for policy coverages are "pooled." So are claims. If NPTA's distributors have high participation, and losses are controlled properly, they may be paid a dividend...a percentage of their premium returned to them in cash. No one can guarantee a dividend in advance, but there is an excellent track record of 15%, 20%— and higher—in dividends returned to other groups.

Safety and Loss Prevention Services

As a member of the program, NPTA distributors will have access to superior loss prevention services. A Loss Control Representative can assist in developing plans that can result in a better safety record. In addition to affecting dividends, there is an equally important reason to better control losses: Losses of any kind are bad for business. A sudden fire, damage to equipment, or injuries to employees can seriously disrupt business causing missed income opportunities, lost time and unnecessary expense. That is why every participant in this program agrees to work with the insurance company's experts in establishing a loss control program.

Fifteen Different Features

The program policy includes 15 different features that companies previously had to secure from their insurers by specific endorsement. Among other things, the policy includes coverage for liquor liability, advertising liability, and liability coverage for independent contractors and spouses of partners.

NPTA members may also purchase worker's compensation, auto liability and property insurance, all of which assures "one-stop" shopping for members' entire property/casualty insurance needs.

Health Care Plan

One important new benefit NPTA can now offer its entire membership, as a result of the Association's affiliation with the NAW, is a Comprehensive Health/Life Insurance Program.

The program comes highly recommended by the NPTA board of directors, and is co-sponsored by the NAW in cooperation with its Wholesaler-Distributors' Insurance Trust. It's a health care plan that can really be called "comprehensive," since it offers NPTA's member personnel the essential health protection they need as a part of a complete Hospital/Surgical/Dental/Major Medical protection plan. It's a program designed for all NPTA members nationwide.

The program features a variety of plans enabling NPTA members to tailor-make coverage to meet their specific needs. The plan offers a $100, $200 or $500 deductible for major medical, with the latter approach serving as an excellent means of developing a partial self-funding program. Moreover, it is an extremely competitive program, particularly in today's climate when health insurance premiums are skyrocketing.

"In 1982 we had the worst health market we've ever seen with losses beyond belief. Every insurance company's hospital bills were going up daily. Hospitals were charging so much that it really was pretty scary," says Cheryl Ann Janson, executive vice president of NAW's Insurance Administration Center, Inc., headquartered in Park Ridge, IL.

"That's when most of your members were hit with very large rate increases, as much as 65%. There's still some turbulence out there, but we've pretty much stabilized our rates. We haven't needed a rate increase for two years. We've taken some small ones, 5% to 7%, just to keep up with inflation in health care. In 1985 we're expecting a rate reduction."

Ms. Janson points out that this kind of stability is important to NPTA members, especially since a rate increase is the primary reason companies change their insurance carriers.

"We're stable and we offer very good service. Even if our price may be close to the same price your members pay now, we feel strongly that over the long haul our pricing will be much better than if they remain with their present carriers. That's why we've had people insured with us since day one, because we've really tried to even out all the bumps in the market."

Medical expenses covered by the Plan include the reasonable and customary charge for hospital room and board (semi-private accommodations); treatment by a physician/surgeon; prescription drugs and medicines; anesthetics, oxygen, x-rays and laboratory tests; physiotheraphy and radiation treatment. Maternity expenses are covered as any other illness.

Employees are required to pay the deductible, plus 20% of the first $2,500 of eligible expenses. Beyond that, the Plan pays 100% of the usual and customary charge for most other eligible expenses.

In Addition to Major Medical Coverage

- A $10,000 life insurance benefit.
- Optional dental insurance with a choice of $25, $50 or $100 deductible.
- Unlike most health insurance plans, there currently is "no termination age" allowing coverage beyond age 65 (even for some that retire).
- The "emergency out-patient" feature eliminates the deductible for the eligible medical expenses incurred within 48 hours of an accident.

Here's How to Participate

If you are an NPTA member firm with a minimum of two full-time, non-related employees, then your company is eligible to participate in the Health Insurance Trust. In fact, Association members are already inquiring about the program.

Inquiries are processed according to their geographical area to determine average regional rates (zip codes are divided into 10 US geographical zones), then application forms are mailed to those interested members, along with a rate sheet that enables them to calculate the coverage they need.

Health rates are based on age and what deductible ($100, $200 or $500) the NPTA member firm would like to establish for the entire company. "Once they review the application and fill it out, all they have to do is send their remittance and that's it!" says Ms. Janson.

"If they have seven or more full-time applicants for insurance, they become insured immediately the first of the next month." (Companies with six or less employees must be medically underwritten by New York Life in conjunction with NAW's Insurance Trust.)

Simplified Claims

Anytime an employee has a claim, the claim form can be easily answered by the employee without being sent through a network of office channels, and requires only the doctor's and employee's signatures.

"Many companies appreciate this," says Ms. Janson, "because if the claim form must be brought back through the company it can become a tedious, time consuming process. In larger companies, this could require a full-time person just to handle employees' insurance claims and claims questions.

"The nice thing that makes us unique from an insurance company is our service. When someone has a legitimate problem and it's taking too long, or they really don't understand what's happening with their claim, they can call us and immediately be referred to the claims person. We handle specific problems, and your members will always receive prompt assistance from the same person," says Ms. Janson.

"Perhaps the biggest thing we do for our members is to serve as their eyes in the insurance world. We study all the data on our claims from all over the United States, which enables us to pinpoint abuses and analyze trends, so that the average member doesn't need to spend time worrying about how to stay ahead of keeping costs down.

For more information on the association sponsored Programs for NPTA distributor members, call the NAW Program Director (MarketDyne) toll-free at 800–523–2710 (in Pennsylvania, 800–643–2020), or the NAW Service Corporation's Insurance Administration Center at 800–323–8972.

ACCEPTANCE OF MEDICAL PLAN CHANGES

A majority of Americans are accepting their employers' changes in health benefit plans, even when they result in more expenses for workers, according to a new survey conducted by Louis Harris and Associates Inc. for The Equitable Life Assurance Society. Effective communication of changes was found to be one of the most important factors affecting the level of acceptance.

The survey also found:

- *About 53% of workers whose cost-sharing increased found it acceptable;*
- *Of the firms that introduced deductibles for the first time, most employees found it acceptable;*
- *A 54% majority were in agreement with increased deductibles;*
- *The least acceptable of all cost-sharing measures was introducing and increasing co-payments for employee's share of the medical bills; and*
- *Union members and low-income employees found increasd cost-sharing less acceptable than other workers.*

SIGNS YOU NEED TIME OFF: YOU NEED A BREAK, IF . . .

- *You answer the phone with your company's name—at home*
- *Every Monday you ask, "Is today Friday?"*
- *You "wake up" in the middle of meetings and realize you haven't heard a thing.*
- *You're becoming absentminded: mailing unstamped envelopes, locking your keys in the car.*
- *Your sense of humor is shot.*
- *You get angry frequently.*
- *You have a great idea but don't feel compelled to do anything about it.*

If you recognize many of these symptoms in yourself, a psychiatrist writes, you need a break—even if it's just a three-day weekend.

A8140-3

ACTIVITY AUGUST, 1985

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day August 1985 - Compared To - August 1984	Sales Per Selling Day August 1985 - Compared To - July 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of August		Calendar Days' Cost* of Ending July Inventory	
				1984	1985	1984	1985
INDUSTRIAL							
1	+ 5.7	+ 5.6	+ 3.3	45	41	–	–
2	- 0.5	+ 1.6	+ 1.2	34	36	50	40
3	- 2.4	+ 5.0	- 2.7	39	38	65	66
4	- 9.5	+ 5.4	- 2.0	38	36	52	54
5	- 1.1	+ 2.4	+ 5.0	36	32	61	60
6	- 1.5	- 6.9	†	41	37	–	–
7	+ 0.6	- 2.7	- 1.7	41	36	56	62
NY	+19.9	+ 9.4	+ 9.5	43	41	–	–
Chicago	+ 1.7	- 2.0	+ 2.5	39	38	–	53
LA	+ 2.0	- 1.4	- 3.2	50	48	47	56
US	**- 0.2**	**+ 3.5**	**+ 0.2**	**40**	**37**	**55**	**57**
PRINTING							
1	- 3.9	+ 7.8	+ 9.4	50	53	–	–
2	+ 2.8	+ 7.3	+ 3.6	44	47	64	65
3	+10.9	+ 9.1	+ 6.5	43	43	89	79
4	+ 5.4	+ 3.5	+ 5.0	44	42	72	73
5	+ 6.1	+ 4.3	+ 2.0	45	44	87	83
6	+ 3.3	+ 8.3	†	40	42	–	–
7	- 1.9	+ 1.4	+ 0.7	39	40	64	88
NY	+ 1.6	+ 7.2	- 2.3	38	43	–	–
Chicago	- 4.4	+ 8.1	- 3.9	43	44	–	46
LA	- 5.2	+13.5	+ 2.7	45	43	86	97
US	**+ 2.8**	**+ 6.5**	**+ 2.0**	**43**	**44**	**78**	**74**

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365/73 = 5.00x.

†Insufficient data to calculate valid statistic.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

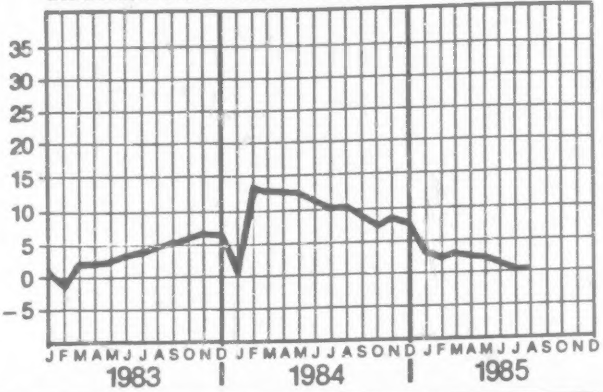
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1983 TO PRESENT

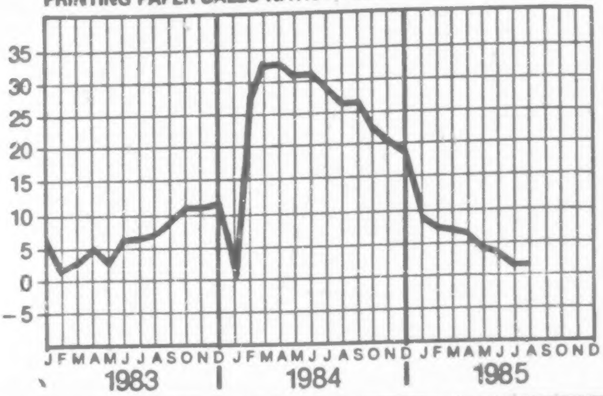
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



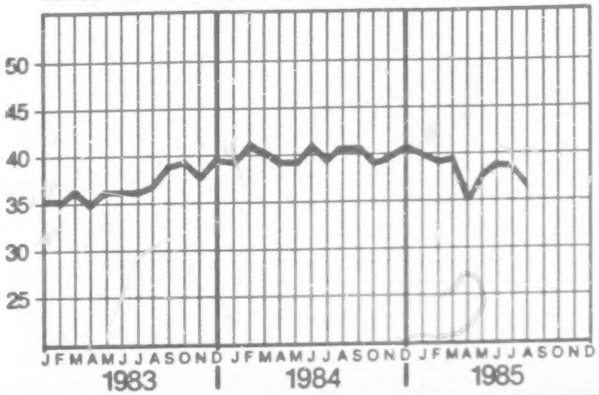
PRINTING PAPER SALES NATIONALLY



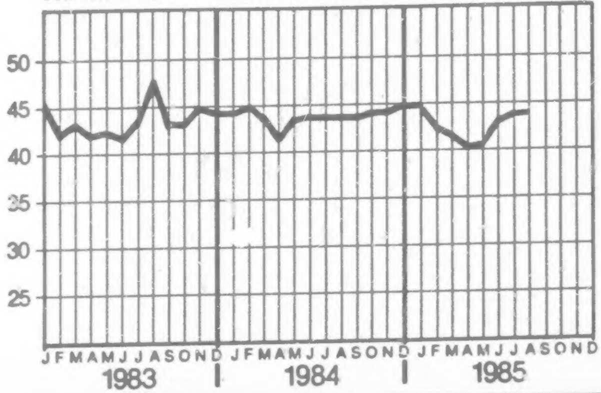
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



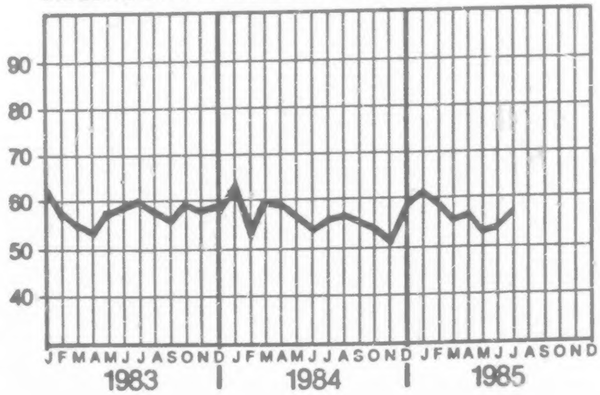
PRINTING PAPER RECEIVABLES NATIONALLY



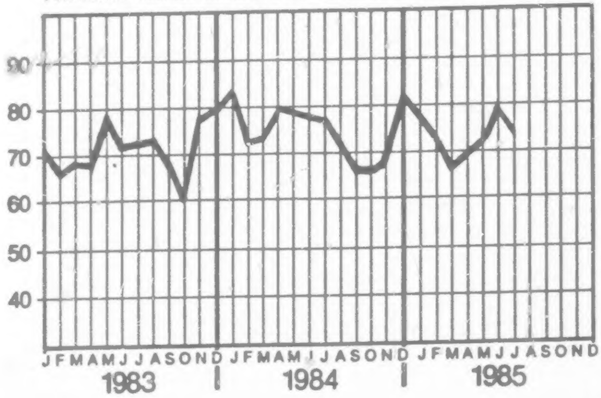
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



We're Looking For A Marketing Group That's Different. Is There One?

Sure. The United Group!

The United Group was started in 1983 with a base of 22 member locations. From that base, we have grown to 140 member locations with sales that exceed the $600 million mark.

We are a national affiliation of privately owned wholesale paper and chemical distribution companies, managed by a Board of Directors representative of the membership. We provide our members with unique programs and innovative services that create market share and profit growth.

We have also created, for our members, dynamic sales training programs, customer catalogs, collateral advertising, and more.

The Groups Preferred Sources of Supply represent all major product categories needed by the industrial paper and chemical distributor. These Preferred Sources offer our membership strong marketing programs and services that can best be provided through a central source.

WHO WE WANT: Members who will work diligently to improve their market share growth through the vigorous distribution and sale of products manufactured by our Preferred Sources of Supply.

WHAT YOU GET: Preparation of programs and added services for our members that are too time-consuming or expensive for a single member to fund or prepare. Plus the added ability to dramatically improve a members profit performance.

If you are further interested in the United Group, please contact James Gardner or Susan Vinson at 1-800-826-1976. Write: The United Group, P. O. Box 8260, Monroe, Louisiana 71211.

THE

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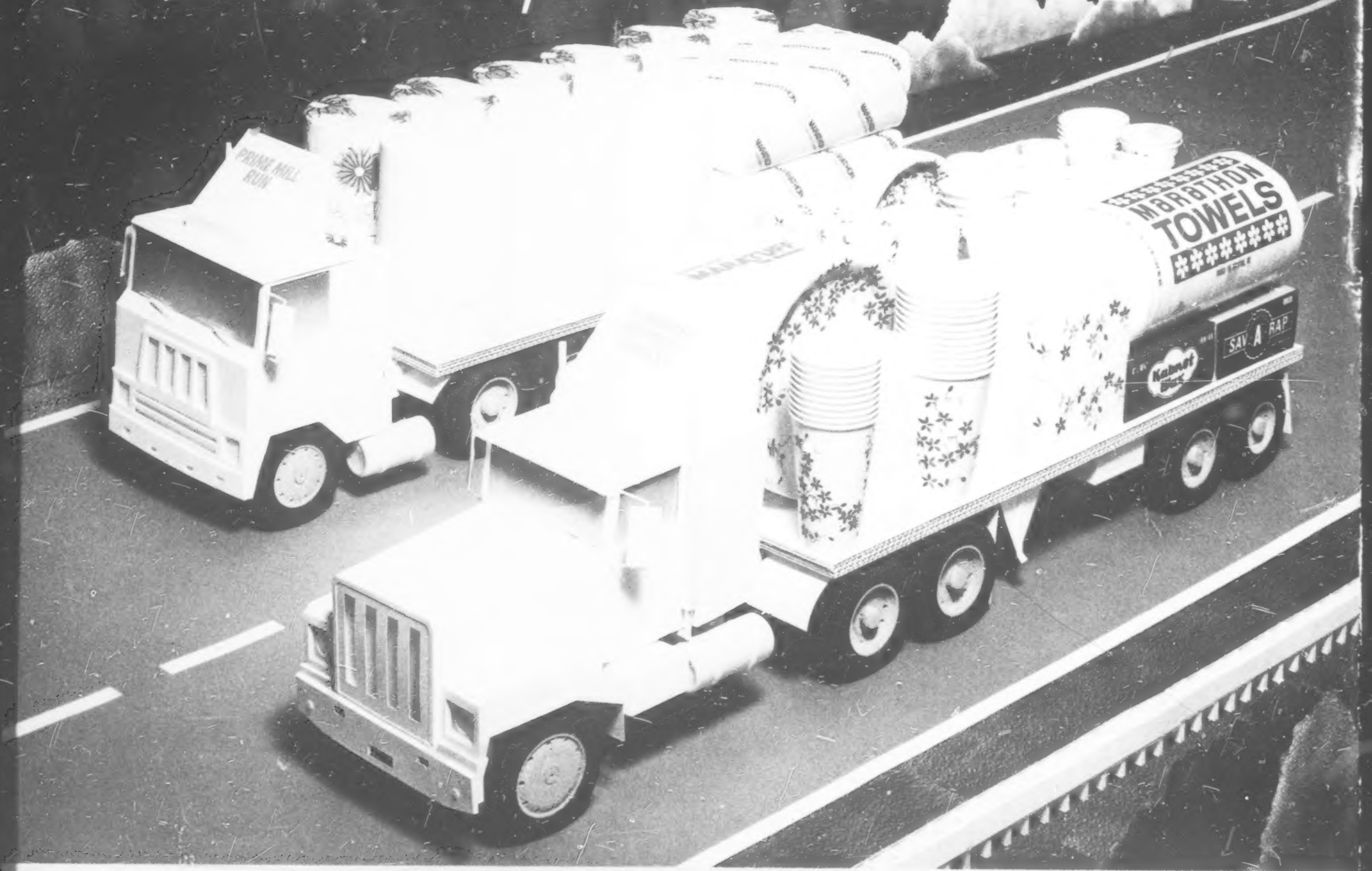

OUR FLEXIBLE SHIPPING SYSTEM DELIVERS MORE PROFIT.

With Dixie/Marathon, you can pick and choose the way you want product delivered. Whatever helps you turn your inventory most profitably.

Would a mixed order of foodservice and sanitary items give you faster turns? OK. We'll send it all at once from a combined shipment center.

Or maybe a large shipment, straight from the mill, would save you more.

Either way, we have a remarkable record for accurate, on-time delivery. And you have the industry's broadest line of disposables to choose from.

MARATHON TOWELS
FOOD WRAP

What you want, where you want it, all at once: Nobody works harder to help you turn your inventory more profitably. See your Dixie/Marathon representative for details.

JAMES RIVER CORPORATION
DIXIE/MARATHON® PRODUCTS